

The NATIONAL UNDERWRITER

John Z. Herschede
420 E. Fourth St.
Cincinnati 2, Ohio

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Coh.

*The
elephant
that
forgot!*



In Burma, an American construction company was building a bridge. And among the hired help was an elephant!

His job was to haul mighty girders to the river's edge.

But one day the absent-minded pachyderm forgot when to stop.

He carried his burden onto the half-built bridge instead. And in one minute flat, 10,000 pounds of elephant sent the uncompleted bridge crashing into the water!

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THURSDAY, OCTOBER 23, 1952



First to Stand for Freedom

The majority of the original thirteen colonies were opposed to any separation from Great Britain as late as 1775. Yet, on September 16, 1765, the General Assembly of Rhode Island alone dared defy her power.

Those fearless legislators enacted the *Stamp Act Resolutions* which denied the right of any power but the elected Assembly to levy taxes within the colony. Thus, Rhode Island became the *first to stand for freedom*.

At Newport, British revenue officials were hanged in effigy and forced to take refuge aboard an English sloop-of-war. This bold action incited open defiance in other colonies and compelled the repeal of the hated Grenville Stamp Act . . . defiance kindled by America's smallest colony.

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Many Rule Book Changes Introduced in Indiana

Business Interruption and Builders' Risk Forms Are Revised

Important rule book changes have been approved in Indiana, involving mainly builders' risk and business interruption insurance. Most of the changes are introduced for the first time in the middle west.

The entire treatment of builders' risk coverage has been revised, and the rules have been rearranged in a more orderly manner.

The most important change in this form is that permitting the insuring of the interest of general contractors and excluding the interests of subcontractors under the completed value form, and similarly permitting the interest of a single subcontractor under this form. This does not call for an increase in the 55% rate factor, and the new rules provide for two separate indorsements to be attached to the completed value form for insuring these partial interests.

Automatic Protection

There is also a new form entitled "Contractors' Automatic Builders' Risk Form No. 17G" designed for the larger contractor engaged in numerous building projects simultaneously, and having need of automatic protection on new projects for a temporary period, during which arrangements may be made for the necessary specific coverage.

Another important change is the recommendation that all builders' risks may be cancelled on a pro rata basis upon completion.

The new rules also contain specific provision for handling builders' risks on a blanket basis, experience having shown a need for specific enabling rule to this effect. This will apply particularly in the case of housing projects or large institutional or manufacturing risks providing all buildings or units are to be erected at one location or continuous site.

The former prohibition against writing risks of the dwelling or habitational class for longer than one year under the completed value form has been eliminated.

A note has been added providing more specifically for treatment of builders' risks of the incombustible class, particularly as to those which when completed will contain incombustible contents.

Change Agreed Amount Form

The rules covering the agreed amount plan for business interruption insurance have been drastically changed. The full amount clause, previously required only when the work sheet or certified computation sheet did not contain an auditor's certification, is now eliminated, but a similar provision has been incorporated as a part of the agreed amount indorsement to apply in every case. The agreed amount indorsement now also contains the essential figures shown on the work sheet, and the work sheet that before was entitled "Business Interruption Values Certified Computation Sheet" has been changed and is now known as

(CONTINUED ON PAGE 29)

NISAO Now NSO; Washes Hands of Multiple Peril Tie

Questions relating to multiple peril underwriting have now been removed from the jurisdiction of the organization that was known as National Insurance Service & Advisory Organization and at the same time the title has been shortened to National Service Org. Hereafter N.S.O. will restrict its attention to advisory service on multiple reporting form business. Harry Perlet is the manager of N.S.O.

Thus N.S.O. will be washing its hands of the matter of a package dwelling policy. Ever since Multiple Peril Insurance Rating Org. (Empiro) came out with its home owners' combination indivisible premium policy that is modeled after the North America plan, there has been the utmost interest in what N.S.O. might develop. While there has been no official word, the logical surmise is that the N.S.O. companies will proceed to offer the Empiro forms.

U. S. Brief in Texas City Case Lauds Appeal Court

The U. S. government has filed a brief with the Supreme Court in the so-called Texas City case. This is the action for damages totaling \$170 million in which insurance companies are greatly interested through the route of subrogation arising out of the disaster of April 1947. The lower court gave a decision for the insurers while the U. S. Court of Appeals held for the government.

The government brief says that the plaintiffs failed to charge a single specific negligent act or omission against any employee or agent of the U. S., but alleged only negligence on the part of the U. S. as such. The finding of the appeals court that the fertilizer grade ammonium nitrate that exploded and caused disaster and the finding of the appeals court that this was not "an inherently dangerous substance" undermines the entire structure of the plaintiffs' case, according to the government brief. This vitiates virtually all the findings of negligence with respect to notice, labeling, coating, packing, loading, stowing and handling, it is argued. It destroys also as a factual matter, according to the government brief, the plaintiffs' theories of absolute liability for the manufacture of an inherently dangerous substance, and of special duties with regard to shipping or giving warning.

Chicago Anti-Trust Suit Against Insurers Ended

The U. S. Supreme Court has denied writ of certiorari in the petition of Ruddy-Brooks, Inc., of Chicago for a review of the U. S. court of appeal decision in favor of the National Board and various insurance companies in an action brought by Ruddy-Brooks charging the National Board and the insurers with violations of the Sherman and Clayton anti-trust acts. This action grew out of the inability of Ruddy-Brooks to secure insurance that they desired following a fire that occurred to their clothing establishment in Roosevelt road, Chicago, in 1947. The companies won in the federal district court as well as the court of appeals and now the matter is closed. Leo F. Tierney of the Chicago law firm of Mayer, Meyer, Austrian & Platt represented the National Board and the insurers.

T. E. Phillips, who has been with Retail Credit in Tennessee, has joined the H. M. Judd agency of Cookeville.

Sept. Fire Losses Are Up 10.4%

Fire losses in the United States during September amounted to \$58,949,000, the National Board estimates. This represents an increase of 10.4% over losses of \$53,398,000 reported for September, 1951, and an increase of 4.4% over losses of \$56,462,000 for August, 1952.

Losses for the first nine months of 1952 now total \$581,739,000, 6.1% more than the first nine months of 1951, when they amounted to \$548,475,000.

For the first nine months of 1952 and the two preceding years losses were:

	1952	1951	1950
Jan. ...	74,155,000	68,686,000	58,823,000
Feb. ...	69,925,000	69,136,000	58,340,000
March ...	72,254,000	71,507,000	72,468,000
April ...	67,380,000	62,965,000	61,605,000
May ...	62,354,000	58,744,000	58,765,000
June ...	58,585,000	56,403,000	57,116,000
July ...	61,675,000	52,220,000	49,592,000
Aug. ...	56,462,000	55,416,000	49,878,000
Sept. ...	58,949,000	53,398,000	45,922,000
	581,739,000	548,475,000	513,509,000

HEARING NOV. 18

Moves to Bar Disguising Titles for Neb. Agents

Insurance Director Laughlin of Nebraska has called a hearing for Nov. 18 on his proposal to issue a ruling to deny agents and brokers the right to use trade names that are identical to or substantially similar to the titles of insurance companies, also to prohibit agents and brokers from using a trade name that embraces the words "insurance company," "insurance department," "exchange," "group," or combination of words of similar import.

St. Paul Group Advances Five at Home Office

Ronald M. Hubbs has been elected vice-president of St. Paul Fire & Marine, Mercury and St. Paul-Mercury Indemnity. George E. Freese becomes secretary and Warren W. Johnson and John F. Driscoll assistant secretaries of the fire companies and E. M. Dean assistant secretary of all three companies.

Mr. Hubbs joined the Pacific department of St. Paul in 1936. He became head of the Pacific Coast production department in 1951 and agency superintendent in 1939. On his return from army service in 1946, he was appointed general manager for southern California. In Feb. 1947, he was transferred to the home office and in 1948 he was appointed assistant to the president. As vice-president, he will continue in that capacity.

Mr. Freese joined St. Paul F. & M. in 1932 as special agent at Sioux Falls, S. D. He was appointed state agent in Kansas in 1936, was transferred to the home office in 1946, and made assistant secretary of the fire companies the same year.

Mr. Johnson joined the St. Paul in 1929 and has been with the fire department since that time. He became executive assistant in 1951. Mr. Driscoll has been with the group since 1926. He was appointed special agent for Minnesota in 1946 and was transferred to the marine department in 1951 as executive assistant. He will continue to be identified with that department.

Mr. Dean has been with St. Paul since 1935. From 1941 to 1943 he was in the claim department at Chicago. He joined the home office claim department following navy service and in 1950 was appointed claims attorney. He will continue in a supervisory capacity in the claim department.

Critical Situation on Auto Dominates Mass. Convention

F. H. Woodward Named New President of Bay State Agents

By KENNETH FORCE

BOSTON — Automobile continues to be the No. 1 problem of agents, discussions at the annual convention of Massachusetts Assn. of Insurance Agents here indicated, only now it is not merely serious, it is critical. Companies are pulling out of agencies, curtailing auto acceptances, reducing or eliminating commissions and many of the smaller writers think they will quit altogether if the rates which Commissioner Sullivan will set between now and Dec. 31 are not a good deal more adequate than last year's.

Every effort is being made to get companies to reconsider the many sharp curtailments put through this month, so

NEW OFFICERS ELECTED

President—F. H. Woodward, Lynn.
Vice-presidents—R. G. Dowling, Hyannis, and Frank Mills, Worcester.
State national director—A. B. Fair, Natick.
Executive secretary—J. Theodore Burke.

the business as a whole can maintain livable relations with the public and keep the agents in business. In many agencies automobile represents more than 60% of total volume. When they lose their auto facilities, they are out of business.

Legislative Restriction Proposed

A legislative petition has been put in at the state house which would prohibit a company from writing any casualty in the state unless it writes compulsory auto cover. This probably won't get anywhere but is characteristic of the abnormalities of the situation in this state. At Lowell, Howard Leighton reported, the board Nov. 6 will open a pool office to process assigned risks and other no-commission business.

Commissioner Sullivan at the banquet, which was attended by a record 610, asked the business to quit running to his office for the solution of minor problems; the companies have enough brains and money to work things out. He said the casualty companies have not invited him to lunch lately and indicated they have exerted a lot of pressure on him. Criticism of the Massachusetts law, under which commissioner makes rates, are unjustified, he declared, and it isn't going to be changed.

Sees Situation Desperate

A desperate situation faces the casualty business in Massachusetts and the very existence of the agents in that state is threatened, according to Frederick J. England of Cambridge in his presidential address. He expressed the belief that there is no solution in mind, but he did express confidence that there will be a solution. He said that the agents can't sit back and let the companies fight singlehandedly for rate increases. The agents must become more militant. It

(CONTINUED ON PAGE 10)

Ohio Licensing Law Decision Excites Legislative Fancies

Supreme Court Action May Breed Efforts to Copy Buckeye Statute

The refusal of the U. S. Supreme Court to review the Motors Ins. Co. case that concerns the licensing of automobile dealers as insurance agents in Ohio is causing jubilation on the part of Ohio agents and it will undoubtedly result in Ohio-type laws being aggressively sponsored in other states by agents' associations.

The Supreme Court handed down no opinion, simply refused to hear the case. That in effect means that it was strictly a state problem and, negatively, turned down the contentions of General Motors that the Ohio licensing law violated the federal constitution.

Agents in other states have thus been given a green light to agitate similar legislation. The force of the Ohio law is that an applicant may not be licensed if the principal purpose is to write insurance on risks in which he has an interest as an owner, employee, trustee, vendor, etc., and his license shall not be renewed if he has used it principally for that purpose. The term "vendor" was added to the Ohio law in 1949 and, of course, that is what catches automobile dealers. The same thing could happen to appliance dealers, etc., if they ever tried getting into the insurance business, but this is not an issue anywhere as yet.

Upheld in State Courts

Superintendent Robinson of Ohio revoked or refused to renew many auto dealers' licenses which Superintendent Lee Shield had issued under the Herbert administration and refused to issue others, on the ground that their principal use was or was intended to be to write insurance on autos in which they were interested as vendors. The suit went up in the state courts on the ground of constitutionality under the Ohio constitution — an injunction suit against the Ohio department — and the law was upheld. Then General Motors tried an attack under the federal constitution, challenging Mr. Robinson's construction of the law, and lost.

A possible speculation is that this decision is another indication that the S.E.U.A. case did not hamper state supervision. It seems to leave states pretty free to set up their own qualifi-



H. Pierce North, manager of South Carolina Assn. of Insurance Agents, pictured at Myrtle Beach convention with Arthur M. O'Connell of Cincinnati, a convention speaker; and Bernard J. Olasov of Charleston, state national director; Hayne P. Glover of Greenville, newly elected president and L. D. McGrath, new vice-president.



cations for licensing agents.

The Ohio law reverses the approach of the anti-coercion laws of New York and some other states. In New York, an applicant apparently can be licensed if he intends to sell insurance principally to people buying his cars, getting real estate mortgages through him, etc., but he's in trouble if he tries to force customers into buying insurance from him. The Ohio law ignores the question of coercion and refuses a license unless the agent gets his principal business from general customers, not tied to him by virtue of buying merchandise, financing, etc. Both types of laws have been agitated by organized insurance producers.

Reference to "Vendors" Important

A possible application of the Ohio law would be a move against real estate brokers, building and loan association secretaries, etc., where it could be shown that most of their business came from people who bought property from them or got loans from them.

The Ohio insurance people regard the reference to "vendors" as the super-important feature. Auto dealers could get out of any other prohibition on the theory that G.M.A.C. or other finance company is the party with the financial interest and that the dealer who is licensed as an insurance agent is just a salesman with no interest in the property.

Adjusters Roster Mailed

National Assn. of Independent Adjusters has distributed its 1952-1953 roster which includes also a list of the officers, the standing committees, the constitution, by-laws and code of ethics.

Vote Exhibit Is Big Attraction

The exhibit of American election memorabilia in the court hall of Travelers at Hartford is one of the most unusual and effective examples of the drive that is being conducted over the country to get out the vote for the Nov. 4 election. The display began on Oct. 14 and runs through election day, and contains more than 10,000 items. These include medals, medallions, buttons, badges, sashes, capes, canes, busts (all sizes), torches, banners, placards, pictures, cartoons, ribbons, helmets, hats, collars, ties, pipes, pennants, pins, mugs, "red hot campaign songs," and recorded voices of presidents from Benjamin Harrison down, clocks, lanterns in the form of McKinley's full dinner pail, etc.

An unusual item in the collection is a pass to the impeachment proceedings against President Andrew Johnson. There are souvenirs from the election of Confederate President Jefferson Davis.

To commemorate the exhibit and add weight to the plea for exercise of the franchise to vote, Travelers issued a handsome brochure, illustrated in color, reproducing famous paintings of most of the presidents and telling something of the story of each election, beginning with George Washington. The brochure and the display start with the election of Washington and are arranged chronologically by election to the current one. Some of the items used in the elections are reproduced in the brochure. The brochure is used as a souvenir for those visiting the exhibit.

The collection is the result of almost 25 years of interest on the part of

J. Doyle DeWitt, vice-president of Travelers companies and assistant to the president. It is regarded as probably the largest collection of its kind in existence.

Gov. Lodge Is to Be N. Y. Federation Speaker

Gov. Lodge of Connecticut will be the speaker at the annual luncheon of Insurance Federation of New York Dec. 3 at the Commodore Hotel, New York City. The business meeting and a reception for the governor will precede the luncheon and there will be another reception afterward.

Rodney E. Piersol, vice-president of Alexander & Alexander, New York City, has been appointed chairman of the luncheon committee, Henry C. Thorn, North America, is vice-chairman.

Founders Sweetens Cover

Founders Ins. Co. of California has discontinued the use of the continuous policy form on its home owners' package contract and hereafter all such policies will be written on a three-year term basis. At the same time, optional coverage on outbuildings was increased from 10% to 20% of residence values. Optional 5% coverage is provided on trees, shrubs, and plants up to \$250 any single item, for certain specific perils; towing and labor costs coverage may be purchased on an optional basis, land slip and smudge damage no longer are excluded and the definition of dwelling is amended to include two-family units.

Lord Knollys and Shaw Kennedy of Employers Liability's head office are in this country for a visit.

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Find Trend Toward Specialization Among Personnel Reversed

Result of Multiple Line Movement, Workshop Sessions Told

NEW YORK — The advent of multiple line underwriting has resulted in a reversal of the trend toward specialization among insurance company personnel, panel discussions by top company executives indicated at the workshop on cost reduction and control, held here under the auspices of the research department of Assn. of Casualty & Surety Companies. The panel dealt with the over-all subject of company organization under multiple line underwriting.

The workshop was attended by more than 200 leading company representatives, which was more than double the attendance of the previous workshop. Four simultaneous seminars conducted detailed investigations into various phases of the over-all theme.

Results Already Attained

Panel participants at the general session were H. C. Conick, general attorney of Royal-Liverpool; Harry Bibby, vice-president U. S. F. & G.; George D. Mead, president Glens Falls; H. P. Stellwagen, executive vice-president Indemnity of North America, and B. C. Vitt, president of American. W. Stanley Kite, vice-president of Fire Association, was moderator.

Open discussion from the panel as well as the floor indicated that a number of companies have already integrated all their automobile business, and combined inland marine, burglary and glass underwriting into a single department. Possibilities of integrating burglary and fidelity departments into a single unit and of combining workmen's compensation and general liability in the same way are being explored. Most companies believe this will eventually result in considerable savings, and one executive reported that since the amalgamation of functions, his company has been able to handle twice as much business with 500 fewer employees.

Give Training in Both Fields

In line with the trend, discussion brought out, companies are making a determined effort to train their personnel in both fire and casualty procedures. One company, for example, developed a correspondence course for

its field men which took a year to complete. After this, the men were brought to the home office in groups for six-weeks' intensive classroom training designed to help them handle all lines.

The concurrent workshop sessions dealt with these subjects: Budgetary control of costs, possibility of expense reduction through study of production costs (other than commissions), economies through effective forms control, recruitment and selection of field men and underwriters for multiple line operations, training of field men and underwriters for multiple line operations, and the flow of work in the processing of policies.

Two previous workshops on cost reduction were held in 1951. In each case, the research department has been assisted in planning and preliminary study by committees of the membership. Representatives of 29 companies worked for six months prior to the present meetings in preparation for sessions and in collecting material for study.

L. C. Gordon Tells Bank Buyers of Coinsurance

NEW YORK—L. C. Gordon, division underwriter of Home, discussed coinsurance and other matters at a meeting of the Savings Banks Insurance Forum here. The buyers were primarily interested in the application of the coinsurance clause to dwellings, and, especially in Texas and the Pacific Coast area, to multiple dwelling units which do not fall within the definition of a dwelling for insurance purposes.

A majority of the questions dealt with insurance as it touches upon the mortgagee's interest. Buyers were interested in valued policy laws. Mr. Gordon said that so far as he knew there have been no instances in which the valued policy law adversely affected the mortgagee's interest.

He pointed out that the only dwellings on which the coinsurance clause applies are in the New York metropolitan area. As to apartments—in general those having more than four housekeeping suites—while there is coinsurance, it is mostly optional. Mr. Gordon said he knew of no area in which coinsurance was mandatory, that if insured wants to pay the no-coinsurance rate, he will collect on either a partial or total loss without coinsurance penalty.

Since savings banks generally loan up to about two-thirds of the value of the property, including land, driveway, etc., their interest in the insurance probably does not exceed 50% in most cases.

He emphasized that the insurance business is doing everything it can to get insurance up to value.

One questioner mentioned the option given in the fire policy to the insurer of replacing with like kind and quality. Mr. Gordon pointed out that this is very rarely exercised.

Delay Tenn. Rate Action

NASHVILLE—National Automobile Underwriters Assn. has requested a delay in action by the Tennessee department on its petition for an increase 3 to 6% in auto collision rates and offering a decrease of approximately 20% in comprehensive in order that "supporting statistics" may be furnished, according to Currey Sanders, deputy commissioner. Action on the petition had been in abeyance since the N. A. U. A. representative declined to enter into a public hearing on it early in September. Prior to the request for the delay, the department has not acted on the matter due to the illness of Commissioner Allen. Since Mr. Allen is scheduled to return to the hospital at an early date for a minor operation, it is not known when action may be taken even after the additional data is furnished.

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Summons Farm Mutuals to Raise Sights Much Higher

U. S. Government Aid Says Insurers Lag Far Behind Farm Economy

The most pressing need in farm mutual insurance today is to find some way to grant more insurance on high valued buildings, equipment, livestock and stored crops, according to Ralph R. Botts, agricultural economist of the U. S. Bureau of Agricultural Economics, who addressed the annual meeting of National Assn. of Mutual Insurance Companies at Philadelphia. He pointed out that the amounts and kinds of insurance needed by many farmers are greater than those of most city people, and insurance that was adequate in 1940 no longer serves the purpose. In some states farmers must have 15 or 20 policies in order to get all the protection they need. Farm mutuals cannot limit their cover to such an extent that a farmer will be crippled by a loss and justify their existence. Farm mutuals must not limit their service to below-average farmers. The average is moving up on them, he said. The future is doubtful for any company that cannot render the services needed by its members.

Mr. Botts voiced the belief that many farm mutual officials over-estimate the danger of having several complete losses of highly insured buildings on segregated farm property. When any rate is multiplied by a greater amount of insurance it produces a greater assessment income with which to pay the larger losses on the higher valued properties. The increased income will pay the higher losses if the rate was right in the first place, and if there is no additional moral hazard. But higher insurance coverages in relation to value would mean that gross over and under-insurance should be detected more quickly.

One insurer, he said, keeps a separate record of policies to receive first attention if farm prices and values drop.

New and Broader Coverages

Also, he said, new and broader coverages and changes in policies to bring farm mutual insurance up to date are needed. Can a farmer, he asked, get windstorm insurance from the company on the same policy with his fire insurance? An insurer may be able to arrange a joint policy with some specialized district or state-wide windstorm

company. Under such a plan the fire company would take the fire and five-point extended coverage, and the owner would take the wind and hail. This would give the farm insurer additional income from commissions. Or if the safety fund is large in relation to the insurance carried, the fire company may wish to keep the windstorm business. It could be offered to the members on an optional 7-point extended coverage basis, for an extra premium. Then the company could get blanket reinsurance to cover most of the loss in excess of a selected amount per \$100 of such insurance. This would prevent depletion of the safety fund to pay windstorm losses, and would protect members against excessively large assessments.

Mr. Botts said that he favors a deductible on windstorm. The purpose is to eliminate small maintenance type claims. The primary purpose of any kind of insurance, he said, is to provide protection against a crippling loss. A deductible is particularly suited to a situation in which the probability of occurrence is slight, but the amount at stake rather large. A company can educate its members on the purpose and value of a deductible, by offering both a deductible and non-deductible side by side.

Cover on Standing Grain

On the question of fire insurance on standing grain, he said that if this were offered on the basis that a farmer could not pick certain fields for insurance, adverse selectivity would be minimized. "Does your policy," he asked, "exclude unstacked crops?" The operation of traction

(CONTINUED ON PAGE 30)



Scene at ceremonies during mutual 200th anniversary convention at Philadelphia. Placing bouquet at the grave of Benjamin Franklin at Christ Church graveyard: Edwin Warfield of Harrisburg, superintendent of agencies of Pennsylvania Threshermen & Farmers Mutual Casualty; Karl Greene, president of Berkshire Mutual and outgoing president of American Mutual Alliance; Mrs. E. F. High of Columbus, O., whose husband is outgoing president of National Assn. of Mutual Insurance Agents; H. J. Hagge, chairman of Employers Mutual Liability; John L. Train, president of Utica Mutual and N. M. Knowlton, president of Holyoke Mutual, and outgoing president of Federation of Mutual Fire Insurance Companies.

MUTUAL WINDUP

Urges Top Executives to Oppose Spreading Controls

PHILADELPHIA — Because issues that vitally concern the business and its future are being decided in legislative, commissioners' and other forums of the day, top insurer executives should themselves appear in those forums more frequently, John A. Diemand, president of North America companies, indicated in his talk at the breakfast of century old companies during the conventions held here by mutual insurance organizations.

When one state tells insurance companies they may earn 1½% profit, another 2½%, another 3½% and so on, this is no longer so much regulation as control, he said. He suggested that mutual and stock companies might well forget their differences in one common objective of stopping the increasing spread of state regulation and control to every operation of the business.

No Longer a Free Market

Not so many years ago insurance operated in a free market; today there is state control of rates, forms and other activities that is having a stifling effect.

He urged the leaders of the business to carry the fight personally to the deliberative sessions of commissioners on all matters that may tend to increase control. Agents can help influence the situation. All must stand together against

socializing, he said.

Mutual insurers writing farm windstorm business are having their troubles these days, it was indicated at the farm windstorm conference at which W. E. Anderson, North Star Farmers Mutual, Cottonwood, Minn., presided. Careless underwriting is at the root of most of the troubles, he believes. It is discouraging, on loss adjustment, to find a building in shambles because of poor housekeeping, improper foundations, etc. The building should not have been insured in the first place. Under these circumstances, the adjuster has to try for a compromise settlement which pleases neither insurer nor insured.

Underwriting by Agents

North Star has been stressing underwriting by agents for many years, and perhaps this is the solution to the problem, he said. Certainly destructive windstorms have now become a regular feature. They have led to higher premiums, along with inflation. He noted that township fire companies operating alongside the windstorm insurers haven't experienced the same rise in rates, actually are charging lower rates than they did 10 years ago.

The farmer with good buildings is the one who is grumbling about the high cost of such cover, he said. It is high time windstorm insurers got back to the fundamentals of protecting against disaster and not providing maintenance.

The composition shingle, despite all that has been said and done about it, still figures in more and more losses. Much research has been done by insurers and roofing manufacturers. Among the results are better fastenings, better shingles, etc., but the key to the problem is haphazard application, and this is a more difficult problem to solve. There would be much less trouble if the business could instruct the ultimate user on the application of this kind of roofing. The problem is a very serious one to windstorm insurers, he said.

Wood Silos Going

He noted the gradual disappearance of the old wood silo. In his company, the rule now is that if the farmer plans to rebuild the silo of wood, the insurance is cancelled. Even at a \$3 per \$1,000 rate the wooden silo cannot be successfully insured. He called attention to new problem of tall TV antenna, which promises as many difficulties as any risk the companies have ever undertaken.

H. J. Requette of Farmers Mutual of Lincoln, Neb., described the unsuccessful efforts of a special catastrophe cover committee to arouse interest in a pool for providing this kind of insurance.

(CONTINUED ON PAGE 29)

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Chase Named New R. I. President

Herndon Warns Against Asking Special Favors in Washington

PROVIDENCE. — Federal control over such factors as fiscal policy and the value of money imposes a duality of regulation over the insurance industry which is directly regulated by the states, Maurice G. Herndon, Wash-



Donald S. Paige



R. S. Preston

ington representative of National Assn. of Insurance Agents, told nearly 400 members and guests of Rhode Island Assn. of Insurance Agents at the dinner session here.

"No matter what happens in the Nov. 4 election, we will have the same problems confronting the insurance industry in Washington as we have now," he said.

The speaker said that many business men now complaining of the "mess in Washington" are themselves responsible in that they "took advantage" of government employees in asking favors and extra services.

He said the federal budget for domestic spending will never be reduced until business and others "stop taking that well-worn trip to Washington" to ask for special favors, like a power project or a flood control project for their own districts.

Chase Succeeds Paige

Howard R. Chase, Jr., assistant secretary of Starkweather & Shepley, was elected president to succeed Donald Paige. Fred C. Clarke, Jamestown, and John F. Kirby, Woonsocket, were named vice-presidents; George C. Hughes, secretary-treasurer, and Robert S. Preston, state national director.

Regional vice-presidents are John Andrade, Bristol county; Howard F. Wheelock, Kent county; George H. Tolderlund, Newport county; Michael A. Cain, Providence county, and F. Oliver Brown, Washington county.

Retiring President Paige reported association membership is at an all-time high of 278. He said association directors by resolution have opposed entry by the National association into the sphere of negotiating over commission paid agents. Departing from custom, the association conducted a drive among members to give a \$3,106 donation toward building a student union on the University of Rhode Island campus.

He said the association is prepared to take part in a program to educate the Rhode Island public on the state's new financial responsibility law which is effective Jan. 1.

New F. R. Division Set Up

At one of the afternoon panels, Allen Hawkes, research director in the state registry of motor vehicles, explained that a new division is being set up in the registry to handle administration of the new responsibility law.

Reporting for the state insurance committee charged with distributing the insurance on state-owned buildings among Rhode Island agents, Theodore J. Mannix, chairman, said the amount of coverage afforded the state was in-

creased during the year from \$44,532,885 to \$50 million. This was accomplished he said by absorbing the return premium due the state because of a rate reduction on certain classes of risks covered under the state schedule.

J. Kenneth Cormack, reporting for the casualty and surety committee, said that during the year the committee opposed the idea that all eligible workmen's compensation risks in Rhode Island be subjected to mandatory experience rating. It also opposed the plan to apply the premium discount rule to other types of risk besides workmen's compensation.

Karl Faust to N. Y. Claim Post for Fireman's Fund

W. Karl Faust has become assistant claims manager of the eastern department of Fireman's Fund, in charge of branch offices. Formerly Mr. Faust, a lawyer, was claims manager for Indemnity of North America at Chicago, San Francisco and Baltimore.

Casualty & Surety Fieldmen's Assn. of Southern California at a meeting at Los Angeles viewed the police department film, "A Day in Court."

New Reinsurer Takes Over Excess Re, 2nd Forming

Excess Reinsurance Co. of America, Philadelphia, is merging with Transatlantic Reinsurance Co., which is being organized as a New York company.

The effect of this merger will be to move the home office of Excess to New York where it will be domiciled and operate under the new name of Transatlantic Reinsurance Co.

Excess, founded in 1917, had assets at last year end of \$5,552,404, and policy holders surplus of \$2,085,622. President has been George G. Nichols, who is head of Guy Carpenter & Co., the reinsurance brokerage firm of New York, specializing in furnishing cost plan covers.

Notice of intent to form Transatlantic Reinsurance Co. was published in New York last week.

Another New Yorker Fined

Superintendent Bohlinger of New York has fined Howard W. James of Forestport \$100 for a "technical viola-

tion" of the insurance law, this being failure to maintain a separate bank account for his clients' premiums.

Farm Underwriters Assn. Booth Viewed by 100,000

An estimated 100,000 persons viewed the display booth of the Farm Underwriters Assn. over the 10-day Dairy Cattle Congress at Waterloo, Ia. The film "Fire on the Farm" was shown each hour, 10 times daily, before an average of 50 viewers. In addition, 10,000 pieces of literature underlining the association's interest in the agricultural industry were distributed.

The booth featured the "indestructible triangle" of capital stock fire insurance, the accredited local agent, and the insured. Its location, its layout, and material were supervised by J. R. Munson, superintendent of the farm department of Fireman's Fund, chairman of the F.U.A. public relations committee. Members of Iowa Fire Underwriters Assn., Iowa Assn. of Insurance Agents and the Waterloo association manned the booth.

In addition to returning to Waterloo next year, the booth will also be featured at the Iowa State Fair at Des Moines, and the Clay County Fair.

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Prior Consultation on Commission Changes Is Asked

The report of the committee on commissions of N.A.I.A. that was held up at Cleveland during the annual convention, has now been released. R. M. L. Carson of Glens Falls is the chairman. The committee recommends that each state association maintain an authority for prior consultation on commissions. This could be either a committee on commissions or an existing committee with new powers.

With such committees in existence, the N.A.I.A. committee recommends that the organization call for all agency companies to consult with agency forces in the territory or jurisdiction affected prior to any revision of commission levels anticipated in the future.

The committee thus advocates a policy of dealing with anticipated revisions prior to the action, rather than after it has become a "fait accompli." The power of N.A.I.A. was placed squarely behind this principle when the members approved the "policy of commissions" at the New York meeting in 1951, the Carson committee stated. The committee urges that the policy on commissions be featured in every issue of the

American Agency Bulletin and that it be publicized otherwise at every opportunity.

The committee at the outset noted the way in which various phases of the commission question are being aired and agitated. For instance, an unstable situation has developed in the east due to the commission competition in fire insurance, and the N.A.I.A. committee applauded the suggestion of the president of E.U.A. that a thorough study be made of all phases of the commission problem and that this be done in conjunction with agents.

One of the incidents that led to the appointment of the Carson committee, the report stated, was the reduction in commissions paid on class 2 automobile business by a large insurer. The committee reported with "great satisfaction" that this reduction was withdrawn.

"Among the manifestations of commission disturbance," the committee said, "has been a nasty attack on commissions with reference to automobile insurance premiums and loss experience that has come from an undisclosed source." In Idaho, the committee said, a well-known company has made an arbitrary "reduction in workmen's compensation insurance without prior consultation with agents and in Texas there was introduced a premium and commission discount plan by size of risk applying to automobile BI and PDL."

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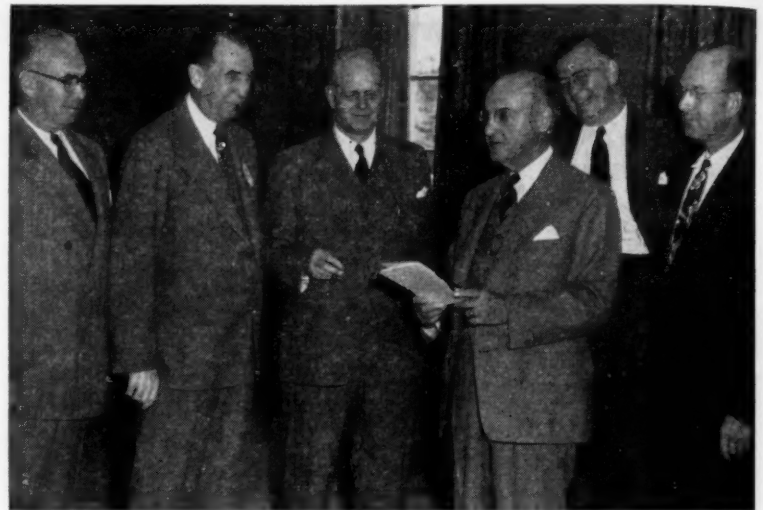
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Group of visitors during the reception by Springfield F. & M. at its new head office for executives of other companies and members of insurance press: Henry W. Cowles, vice-president of Glens Falls; Charles C. Wright, vice-president of Springfield F. & M.; John A. North, president of Phoenix of Hartford; William A. Hebert, president of Springfield F. & M.; W. G. Drysdale, manager Registered Mail Central Bureau, and Harold I. Bartlett, vice-president of Boston Ins. Co.

Stress Assets, Not Problems Vitt Urges

Emphasis on the strengths of the insurance business rather than preoccupation with current problems was recommended by Bruno C. Vitt, president of the American of Newark in his address as president of Southeastern Underwriters Assn. at the S.E.U.A. meeting at Pinehurst, N. C.

While problems demand daily attention, Mr. Vitt said that it must be realized that a business as dynamic as insurance will constantly produce problems in the process of going ahead. All American business is being tested and evaluated as never before and it is imperative that insurance perform at top ability and create and maintain a psychological atmosphere of confidence. "We, who sustain all others in their times of crisis, will present a very strange spectacle indeed if we sink to our knees in a time of our own adversity," Mr. Vitt declared. "Public confidence is our greatest asset."

Cites Sources of Strength

Mr. Vitt said the strength of insurance is derived from stockholders, the agents and the company employees. Stockholders in insurance companies take a smaller yield in favor of future promise. Mr. Vitt said the producers, in order to achieve this promise, must explore and service the unexploited market available. He stressed the necessity for a good spread of diversified business for overcoming poor experience in certain lines, and stated that there are many important lines that are badly neglected.

The failure to stimulate the sale of many contracts is not an academic question, Mr. Vitt continued. "It impinges upon our immediate plans. For example, in our multiple line discussions we often conjecture as to the coverages that will comprise a projected 'package' of insurance. We often nominate coverages for inclusion in the blithe assumption that we are accustomed to sell these as units. This is definitely not true, and I need not tell you a future package containing an unfamiliar unit whose need is not established will be a much more difficult item to sell."

Give Employees Recognition

The efficiency expert has not been born who can calculate the value of loyalty, enthusiasm, drive, imagination, initiative, unselfishness of a company employee, Mr. Vitt said. In recent years the word "employees" is seldom used without being followed by the word "problem." That sad phrase "employee

problem" should not be used indiscriminately, he warned. He mentioned the need for recognition of those employees who are doing a good job.

Book Gives Insurance Story for School Systems

"Insurance Practices in School Administration," by Henry H. Linn of Columbia University, and Schuyler C. Joyner of the Los Angeles schools, deals with the various types of insurance problems involved in the business administration of school systems and individual schools. School business managers, agents and brokers selling insurance to schools, and students of school administration will find it a helpful aid in clarifying insurance responsibilities.

It is written in general terms developing the topics in a manner that will permit adaptation to the local regulations concerning school insurance. Included are 25 reproductions of essential parts of standard policies and other insurance documents.

Mr. Linn is professor of education at Teachers college, Columbia University. Mr. Joyner is deputy business manager of the Los Angeles city schools. The book, 446 pages, is published by Ronald Press of New York.

Empiro Policies in Vt.

The two comprehensive dwelling policies of Multiple Peril Insurance Rating Organization (Empiro) have been approved for use in Vermont commencing Nov. 3. These contracts were introduced in Pennsylvania and Delaware Oct. 1, in California, Oct. 15 and they make their bow in Colorado, Oct. 31.

Don Reinhackel of the H. G. Reinhackel general agency, Austin, Tex., is the father of a new daughter, Kerry Ann.

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Tenn. Agents Name Ward President

Name Changed to Insurers of Tennessee at Nashville Meeting

NASHVILLE—Tennessee Assn. of Insurance Agents at its annual meeting here, with more than 350 present, elected C. Ray Ward, Sparta, president, succeeding Frank R. McGlaughon, Kingsport, who becomes chairman; Thomas W. Jarrell, Nashville, treasurer; D. S. Jamieson, Covington, secretary. Vice-presidents are Arch E. Northington, Clarksville for middle Tennessee; Louis J. Englert, Jackson, west Tennessee; Robert McMillan, Knoxville, east Tennessee.

At the executive session it was voted to change the name to Insurers of Tennessee. Considerable discussion at this session was devoted to the controversy over proposed changes in collision and comprehensive automobile rates by National Automobile Underwriters Assn.

In his annual address President McGlaughon paid high tribute to the regional vice-presidents and to Secretary-manager George L. Goss for the successful regional meetings held the past year at Jackson and at Chattanooga.

Mr. Ward, the new president, is a member of the Tennessee legislature and served as chairman of the legislative committee in the house at the last session.

The association's accident prevention program, already under way, will be continued during the next year. Johnson Rhem, general counsel, substituted for Commissioner Allen in bringing department matters before the agents.

The Last Breakfast

The breakfast given by Central Mutual for agents attending the convention of National Assn. of Mutual Insurance Agents at Philadelphia, brought together a group of about 430. There was regret expressed on all sides at the announcement of H. A. Kern, vice-president and agency head of the company, that this would be the last such breakfast to be given by Central Mutual on these occasions. It was brought out that Mr. Kern was the one who conceived the idea of organizing National Assn. of Mutual Insurance Agents. That was when he was a special agent in the southeastern field and he sat in with a group of about 23 at Washington when the organization was com-

pleted. Then from the very first Central Mutual was host at a breakfast at the N.A.I.A. annual meetings for its own agents. In recent years this was extended to take in all agents and their wives, and the Central Mutual management came to the conclusion that this has become too much of an undertaking, and also that N.A.M.I.A. no longer needs the assistance that this gathering provides. There were 12 past-presidents of the association at the head table during the breakfast this year, including John Chappell of Washington, who was the first president. President L. G. Purmort of Central Mutual was on hand, and Mr. Kern presided.

Chicago Fire Examiners Hear Stoffels Address

The foundation of good company-agent relations must be based upon sound business integrity, since each has an unequivocal responsibility to the business and to each other, Edgar O. Stoffels of the Stoffels Co., president of Chicago Board, declared at the October meeting of Chicago Assn. of Fire Examiners.

Mr. Stoffels compared the company and agent relationship to a partnership, and warned that when one partner fails in his responsibility, the failure will result in ultimate loss to the whole. On the other hand, he said, "when fundamental principles are squared with the highest degree of integrity and ethics, remaining problems become relatively insignificant."

The speaker then went on to outline a number of give-and-take conditions that will produce lasting harmony. Primary among these is the reputation of a good performance in meeting all obligations promptly. The company, it was pointed out, should expect its agent to enhance its position in the community, be alert to competition and ready to justify his sales on a quality basis.

At the same time, the agent must be able to make a convincing defense of the American agency system without expecting his company to bear the burden alone.

The agent has a right to expect that the policies he sells will prove their quality at the time of loss adjustment. Mr. Stoffels meant by this "all claims should be given prompt, courteous, equitable and considerate treatment." He added that an agent cooperating promptly with his loss department is entitled to every assistance from company personnel. Likewise, the company is entitled to full submission of all facts connected with each underwriting office.

Mr. Stoffels also touched on the inroads of multiple line underwriting, and

predicted that "the day will come when there are no separate fire or casualty departments within the operation of a company."

Ill. Department Fines Agents and Companies

Insurance Director Day of Illinois announced department action as to violations of the insurance rating law in sale of fire insurance to the University of Illinois. Following complaints by certain agents in Champaign, investigation by the department and a formal hearing, it was found that inadequate fire insurance premiums were charged by certain agents and companies in submitting competitive bids for insurance on certain properties owned by the university. A portion of the mandatory charge was omitted at the time of submitting bids, thus giving an illegal advantage in obtaining the business.

Each of the agents—Richard E. Hall, Chicago agent for National Union Fire, George B. Franks, of Champaign, also agent for the same company, and C. A. Atwood of Champaign, agent for Employers Fire, were assessed the \$500 maximum penalty permitted by the rating law. National Union was assessed a penalty of \$100 and Employers Fire \$50. C. M. Wilson, partner of Mr. Atwood in the Atwood-Wilson agency, Champaign, was found not to have participated in any of the transactions and therefore was cleared of any charges at the hearing.

The insurance companies will cancel the five-year policies which were effective July 1, 1951 as soon as the university can secure new insurance pursuant to bids.

"These hearings were the result of extensive investigations and reflect the determination of this department to take vigorous action in all cases where the department finds violations of the insurance rating laws by companies, agents or brokers," Mr. Day said.

Richard S. Perkins Named

Richard S. Perkins, president of City Bank-Farmers Trust Co., has been appointed to the local boards of directors in the city of New York of Royal, Liverpool & London & Globe, British & Foreign Marine, and Thames & Mersey Marine. In due course he will also be elected as director and serve on the finance committee of Royal Indemnity, Globe Indemnity, Queen, Newark, Star, American & Foreign, and Virginia F. & M.

American Republic of Des Moines which writes A. & H. and life, has entered Oregon.

New Officers of Mutual Units

In last week's edition the new officers were reported of several of the mutual organizations that held their annual meetings at Philadelphia during the week. Additionally, there were several organizations that held their elections subsequent to the publication hour.

H. J. Hagge, chairman of Employers Mutuals of Wausau, is the new president of American Mutual Alliance, succeeding Karl E. Greene, president of Berkshire Mutual Fire. C. R. McCotter, president of Grain Dealers Mutual, is vice-president of the Alliance. Directors are John A. Buxton, Federated Mutual Implement & Hardware, Mr. Greene, L. G. Purmort, Central Mutual; James S. Kemper, Lumbermen's Mutual Casualty; Walter E. Otto, Michigan Mutual Liability and John L. Train, Utica Mutual.

New president of National Assn. of Mutual Insurance Companies is Donald A. Tripp, president of Illinois Mutual Fire of Belvidere, succeeding Charles E. Nail of Lumbermen's Mutual. Vice-president is N. M. Knowlton, Holyoke Mutual Fire; I. G. Saltmarsh, Indiana Lumbermen's Mutual, is treasurer and L. A. Mingenbach, Hardware Mutuals, national councillor to U. S. Chamber of Commerce.

Hodges Heads Casualty Group

Charles E. Hodges, American Mutual Liability, is president of National Assn. of Mutual Casualty Companies; vice-president is Carl N. Jacobs, Hardware Mutuals, and directors are H. G. Kemper, Lumbermen's Mutual Casualty; J. R. Kitch, Security Mutual; Walter E. Otto, Michigan Mutual; W. H. Burhop, Employers Mutuals; H. W. Yount, Liberty Mutual and John L. Train, Utica Mutual.

George McKinney, Millers Mutual of Alton, was elected president of National Assn. of Automotive Mutual Insurance Companies. H. G. Kemper of Lumbermen's Mutual Casualty is vice-president. Directors are C. W. Brown, Merchants Mutual Casualty; H. D. Durham, Iowa National Mutual; I. G. Saltmarsh, Indiana Lumbermen's, and H. W. Yount of Liberty Mutual.

There was some confusion in the dates that were reported for future meetings. National Assn. of Mutual Insurance Agents will hold its meeting at the La Salle hotel in Chicago the week of Oct. 11, 1953, and it was decided that the 1954 meeting will be at the Statler hotel at New York. American Mutual Alliance will meet at Chicago next year.

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the week of Nov. 16, along with National Assn. of Mutual Casualty Companies.

Federation of Mutual Fire Insurance Companies will have its annual meeting at San Francisco the week of Oct. 12, but will have a recess session at Chicago the week of Nov. 16. National Assn. of Mutual Insurance Companies will meet at San Francisco.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago
Oct. 21, 1932

	Div.	Bid	Asked
Aetna Casualty	3.00*	91 1/2	93 1/2
Aetna Fire	2.25*	56	57 1/2
Aetna Life	2.50*	92	94
American Alliance	1.50*	33 1/4	34 1/4
American Equitable	1.50	27 1/2	28 1/2
American Auto	2.00	47	49
American (N. J.)	1.00	26 1/4	27 1/4
American Surety	3.00	50	52
Boston	2.60*	70	72
Camden Fire	1.10*	23	24
Continental Casualty	2.50*	79	81
Crum & Forster Com.	2.00*	43	44 1/2
Fire Association	3.00	68	69 1/2
Fireman's Fund	1.60	57	59
Firemen's (N. J.)	.90	26	27 1/2
General Reinsurance	1.60	33	35
Glens Falls	2.00	59 1/2	61
Globe & Republic	.80	15	16
Great American Fire	1.50*	36 1/2	38
Hartford Fire	3.00*	150	152
Hanover Fire	1.60	38	39 1/2
Home (N. Y.)	1.80	38	39 1/2
Ins. Co. of North Am.	2.50*	84	86
Maryland Casualty	1.20	24 1/2	25 1/2
Mass. Bonding		20	21
National Casualty	1.50*	28	Bid
National Fire	2.50*	69	71
National Union	1.80	39 1/2	41
New Amsterdam Cas.	1.50	27 1/2	40
New Hampshire	2.00	46	47 1/2
North River	1.20	29	30
Ohio Casualty	1.20	65	68
Phoenix, Conn.	3.00*	99	102
Prov. Wash.	1.50*	29 1/2	31
St. Paul F. & M.	.85*	33	34 1/2
Security Conn.	1.60	37 1/2	39
Springfield, F. & M.	2.00	50	52
Standard Accident	1.60	37	38 1/2
Travelers	14.00*	660	670
U. S. F. & G.	2.00	56	58
U. S. Fire	1.40	44	45 1/2

*Includes extras.

NEWS OF FIELD MEN

Gray Joins Phoenix-London as Resident Manager

Phoenix of London has appointed Byron B. Gray as resident manager at Indianapolis succeeding George E. Armstrong who is being relieved of administrative duties at his own request. He will continue as associate manager.

Mr. Gray has been a field man in Indiana for New York Underwriters.

Ferguson Succeeds Perry

James Ferguson, formerly special agent at Spokane, has been transferred to Seattle to succeed Mark Perry, who resigned as special agent there for Boston-Old Colony to join George C. Newell Co.

Vanderbeck to Speak

Robert G. Vanderbeck, assistant manager of Eastern Underwriters Assn., will be the speaker at the Oct. 27 luncheon meeting of New Jersey Insurance Fieldmen's Assn. at Newark.

Executives at Kan. Meeting

Many company men were on hand for the fall meetings of Kansas Fire Underwriters Assn., Kansas educational committee and Kansas Fire Prevention Assn. just preceding the Kansas agents' convention at Topeka, including John G. McFarland, manager of the western department of American and chairman of the public relations committee of W.U.A.; C. L. Zook, National Fire; C. E. Stiehl, London & Lancashire; L. E. Grigsby and J. W. Burden, Hartford Fire, all from Chicago; J. K. Brown, assistant secretary of the St. Paul group; A. C. Reed, executive vice-president,

and L. B. Burt, vice-president of Preferred of Topeka.

Mr. McFarland talked on the public relations program from the side of management and congratulated the Kansas committee for its active program the past year. The new W.U.A. film "I Take Risks," was shown.

The three organizations voted to hold their annual meetings in May at Lake Taneycoma, Mo., in the Ozarks. It is hoped that the Kansas Blue Goose will take similar action.

Northern, England, Makes Four Changes in Calif.

Northern of London has made four appointments in the California territory.

Clifford R. Tufts has been named special agent and engineer in the San Joaquin Valley, replacing S. C. McPherson who has been transferred to the Sacramento Valley and north coast area.

Lee Olney, metropolitan department manager at San Francisco, has been appointed resident superintendent at Oakland, in charge of agency and brokerage business in Alameda and Contra Costa counties. Kenneth F. Palmer, who has been assisting Mr. Olney in the metropolitan department, has been made superintendent of the brokerage department at San Francisco.

Burrough in N. J. Field

Phoenix-London group has appointed James S. Burrough, Jr., special agent for southern New Jersey, working under Harold F. Still, manager at Philadelphia.

Hold Okla. Midyear Oct. 19-2

Oklahoma Fire Underwriters Assn., of which R. W. Wallace, Home, is president, and Oklahoma Fire Prevention Assn., Marvin Elkins, Northern Assurance, president, will hold a joint midyear meeting Nov. 19-20 at Lake Murray Lodge.

Among the more important questions to be discussed will be the inclusion of larger cities in the inspection program.

Rochester, Mich., Inspected

Michigan Fire Prevention Assn. last week inspected Rochester, this being the 10th such inspection in as many months.

Joseph Finnell of the Finnell & Finnell general agency was general chairman. John Rich, Hanover, gave the talk at the luncheon of the civic organizations. Other talks were given to 2,000 school children.

N. Y. C. Pond Schedule

The first fall meeting of the New York City Blue Goose was held at the Drug & Chemical Club. The Dec. 10 meeting will be in New Jersey; Feb. 4 at Drug & Chemical and March 13 at Maplewood country club, N. J. The latter will be the St. Patrick's dinner dance. There will also be meetings in New York April 29 and at the Rock Spring country club, N. J., June 5 which is the annual outing and election of officers.

North British Names Davis

North British group has appointed Neil L. Davis as special agent in Utah and southern Idaho with headquarters in the Walker Bank building, Salt Lake City.

Kane to Millers National

Millers National has appointed Thomas J. Kane special agent for Virginia, North Carolina and South Carolina, with headquarters in the Guilford building, Greensboro, N. C. He will assist Carey L. Butterworth, state agent.

Mich. F.U.A. Hears Butler

With 73 members in attendance, the first fall meeting of Michigan Fire Un-

derwriters Assn. was held at Detroit. A luncheon sponsored by the public relations committee followed the meeting. Ronald A. Butler, assistant manager of Michigan Inspection Bureau, told "How Good Public Relations Can Best Be Maintained Between the Inspection Bureau and Company Agency Personnel."

Crum & Forster Field Men Shifted in Kan., Mo., and O.

Crum & Forster announces field changes in Kansas, Missouri and northern Ohio.

Robert W. Wiley becomes Kansas state agent; Richard H. Snyder is named special agent in Missouri, and Robert E. Jackson is named assistant manager at Cleveland.

Mr. Wiley succeeds Mr. Jackson as Kansas state agent. Mr. Wiley attended Kansas State College and was in army service, being released as a captain. He was three years with Kansas Inspection Bureau and had engineering experience with Crum & Forster, and was also special agent at Detroit.

Mr. Snyder is being transferred from Cleveland to Kansas City. He attended Franklin & Marshall college and Cleveland college, and served with the rating association at Philadelphia and with Ohio Inspection Bureau.

Mr. Jackson was with Michigan Inspection Bureau several years and had local agency experience as well as field work. He has traveled in Minnesota as well as Kansas.

Ohio Inspections Scheduled

Columbus, O.—The Ohio Fire Underwriters Assn. will hold its next meeting at Toledo Nov. 11. The Blue Goose will meet the evening before.

To Charter Pittsburgh Pond

The Steel City pond of Blue Goose will be officially chartered Nov. 10 at Pittsburgh.

Toledo Is Rallying Point

TOLEDO—Ohio field men will meet here Nov. 10-11 when Ohio Blue Goose and Ohio Fire Underwriters Assn. sessions will get under way. Activities will start off with a buffet supper, with a Blue Goose business meeting and initiation following. The field club will meet the following morning.

New Office at Springfield, Mass.

Royal Exchange has opened a new office at 95 State street, Springfield, Mass. It will be supervised by Henry E. Stabile, special agent, recently appointed for western-Massachusetts, Vermont and Connecticut. Formerly he was a special agent for the New England office, and still earlier was an underwriter at the head office.

Oregon Fire Underwriters Assn. conducted the first town inspection program in that state at Lebanon, with 35 field men and agents participating.

John P. Hackett, for the past year North America special agent in Montana, and previously an examiner for Montana Fire Rating Bureau, has purchased the Montana Insurance Agency at Butte from John A. Bender.

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FIRE • MARINE • CASUALTY • AUTOMOBILE

Shadwell Views for Catastrophe

An interesting feature at the annual conference of Insurance Accountants Assn. this week in Skytop, Pa., was a forum on reinsurance presided over by Paul J. Synor of the North British group. One topic of special interest to primary insurers and reinsurers in recent times, catastrophe cover, was discussed by Howard Shadwell, vice-president of Holborn Agency Corp.

Mr. Shadwell emphasized the value of catastrophe cover as compared with other forms of reinsurance. The catastrophe cover stands on its own as the last and final line of defense after all the other forms of reinsurance have played their part, he said. He expressed confidence that despite any trouble the business may experience after a major storm, the business will be buying, writing and placing catastrophe covers as long as fire and allied lines insurance is written by private insurers.

Wind Is Major Exposure

Ins. Co. of Tex. Absorbs Continental Fire & Cas.

DALLAS — Merger of Continental Fire & Casualty with Ins. Co. of Texas has been approved by the stockholders. Control of Continental F. & C. was purchased last January by I.C.T. The merger is retroactive to June 30.

An increase in capital of \$400,000 for I.C.T. by the issuance of 40,000 shares of stock which have already been subscribed by existing stockholders, was ratified.

At Dec. 31, 1951, Continental F. & C. reported assets of \$1,140,090, premium reserve \$385,784, capital \$250,000, net surplus \$251,469. I.C.T. had assets \$1,798,371, premium reserve \$691,145, capital \$400,000 and net surplus \$301,296.

Both companies were under the wing of Ben Jack Cage, who is developing an insurance organization owned by labor union members.

Plans for a new Dallas home office building for the I.C.T. group have been approved. It will be a five-story building featuring advanced contemporary design.

Standard Reliance of Neb.

Absorbs Standard Casualty

Standard Reliance of Lincoln, Neb., which is a mutual company, has absorbed Standard Casualty, which was a stock company and was organized in 1946 under the wing of Standard Reliance. The assets of Standard Casualty on Dec. 31 were about \$750,000 and the policyholders' surplus was about \$355,000. The assets of Standard Reliance were about \$1 million and surplus to policyholders exceeded \$270,000.

St. Paul Pays an Extra

St. Paul Fire & Marine has declared an extra dividend of 5 cents payable Nov. 17 to stock of record Nov. 10; thus the total distribution for 1952 will be 85 cents a share. A regular quarterly dividend of 20 cents has been declared payable Jan. 17, 1953 to stock of record Jan. 10.

Hear Port Authority Buyer

William D. McGuinness, insurance manager of the Port of New York Authority, addressed the New York Mariners Club. He told the history and problems of the Port of New York, which led to the creation of the Port Authority by the compact of 1921 between New Jersey and New York. The multi-million dollar interstate bridges and tunnels built and operated by the authority are protected by all-risk policies issued by inland marine insurers.

Mr. McGuinness observed that future capital requirements, including provision for the third tube of the Hudson River-

Lincoln Tunnel group, now in the early stage of construction, would not soon permit a general reduction of toll charges, though the major properties are being profitably operated and all debt service requirements are amply covered.

Skipper E. V. Silver, Jr., Fireman's Fund, presided and introduced 14 recently elected members.

CHICAGO

BUYERS HAVE PANEL

A panel consisting of Leo M. Faetz, Quaker Oats; E. T. Berquist, Pure Oil, and Malcolm A. Tait, Commonwealth Edison, led a discussion at the Oct. 16 meeting of Mid-West Insurance Buyers' Assn. at Chicago. The topics included tailor-made contracts, determination of insurable risks, reports to management, enlisting cooperation in insurance and safety activities, and methods of discovering exposure to loss.

ADJUSTERS HEAR MCGREGOR

John McGregor, assistant manager of Underwriters Salvage Co., addressed Adjusters Assn. of Chicago at its October meeting. He said the salvage company is always at the service of the adjuster and is equipped to perform many services to assist in the handling of a difficult adjustment situation. He spoke of the great number of licenses, city, state and federal, needed in the handling of salvage.

CRAMSIE, LAADT SCHOOL

About 45 are attending the school for brokers and agents that is being conducted by the Chicago local agency of Cramsie, Laadt & Co. The classes run from 6 to 7:30 p.m. each Tuesday and there are a series of 18 lectures.

The teaching staff consists of James R. Wilson, automobile and burglary; Joseph S. Falk, casualty and marine; Clarence Melohn, life, A. & H., and hospitalization, and Philip J. Kelly, loss adjustment. John J. O'Neill and George A. Laadt, associate members of the agency, are lecturing on fire, bonds, and survey selling.

NEW YORK

NOLAN ADDRESSES BROKERS

William F. Nolan, assistant manager of the automobile division of National Bureau of Casualty Underwriters, speaks at the Queens County Brokers & Agents Assn.'s Oct. 23 meeting at Long Island City.

He is to discuss the new preferred risk rating which goes into operation Nov. 1.

N. Y. BROKERS TO HEAR TOOLE

Cameron Toole, Travelers Fire New York City manager, will speak at the forum on business interruption coverages at the first fall meeting of Greater New York Insurance Brokers Assn. Oct. 28.

AMERICA FORE HAS PARTY

America Fore Girls' and Men's Clubs last week presented their annual entertainment and dance at the Waldorf-Astoria hotel with more than 2,000 employees and officers of the group on hand. The entertainment was a "gay nineties revue," featuring a chorus, melodrama and music.

JAFFE AGENCY CONSOLIDATES

The Jaffe Agency which operates offices at 16 Court street, Brooklyn, and 16 Liberty street, New York city, will combine these operations and move into new quarters on the street floor level of 45 John street, Manhattan, Oct. 27.

NEW YORK INSURANCE JOBS

The state of New York needs five insurance sales representatives to work with the state fund. A top-level job as assistant director of payroll audits and

eight entrance level positions for junior compensation claims auditors are also open in the fund. Applications will be accepted by the state civil service commission up to Nov. 7. Examinations will be held Dec. 13.

Three of the sales jobs are in New York City, one at Albany, and one at Syracuse, and they deal with workmen's compensation and disability benefits insurance. The assistant director of payroll audits will be at New York City.

There are seven vacancies for junior compensation claims auditor jobs in New York City and one in Albany. Juniors audit claims for workmen's compensation or disability insurance benefits.

Candidates must be U. S. citizens and legal residents of New York. Information may be obtained by writing Department of Civil Service, State Office Building, Albany.

HEAR GEM EXPERT

Members of Inland Marine Claims Assn. of New York at the Oct. 15 meeting heard a talk by Jerry Winston, of the House of Winston, who described the extensive operations of gem dealers.

TAKES COX AGENCY

Associated Mutuals Agency at 90 John street, New York, has taken over the

Cox Mutual Agency at 75 Maiden Lane, which formerly was operated by John D. Cox, now vice-president of Berkshire Mutual.

Harboway Named to Farm and Hail Post By National

Alexander Harboway has been appointed assistant superintendent of the farm and hail department in the western department of National Fire group. W. H. Buesching is farm and hail superintendent.

Mr. Harboway is a graduate of the University of Alberta and has had extensive experience in the hail business. He was with the department of agriculture of Alberta prior to joining National as hail special agent in Oklahoma, Kansas, and Nebraska. He succeeds Frank L. Thornton who is entering the real estate business in Oak Park, Ill.

Jarrad to Mich. Department

James Jarrad, with the Michigan Inspection Bureau's Jackson office for more than two years, has joined the Michigan department staff as fire rating assistant. He is a graduate of Michigan State college.

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"MUTUAL INSURANCE IS OLDER THAN THE NATION"

1752 — 1952

Automobile Big Topic in Mass.

(CONTINUED FROM PAGE 1)

is the agents who deal directly with the public and hence they are in a better position to impress the regulatory authorities with the necessity for an adequate rate.

The Massachusetts insurance department, he said, ignored the warnings commencing in 1949, that presaged the dreadful experience in the automobile field. The rate increases that were granted in compulsory automobile insurance in Massachusetts were "pitifully, hopelessly inadequate . . ." he said. "Today's rates," he went on, "fail to even approach realism in the face of accident and loss," peaks little short of terrifying . . .

The Massachusetts compulsory insurance rate level has gone up only 12½% since Jan. 1, 1947, whereas Connecticut has gone up 68.3%; Maine 71.6; New Hampshire 24; Rhode Island 40; Vermont 89.6; Illinois 68.7; Maryland 77.3; Michigan 39.5; New York 75.2 and Pennsylvania 37.8%. The average statewide rate for compulsory insurance in Massachusetts has gone up only 3.1% since 1932.

Many an agent in Massachusetts is compelled to stand by and watch the disintegration of a business that he carefully and industriously cultivated over the years because of a loss of his accustomed market and inability to get under cover elsewhere. There will have to be a solution to the restricted market problem because everyone in the casualty business has a personal stake in seeing that the business survives. The agents' association, he said, should take an active part in promoting enactment of the amendments to be proposed to the insurance rating law in January.

Walter Sheldon of Chicago, president of N.A.I.A., in his talk at the Massachusetts meeting, expressed the hope

that a greater degree of uniformity can be achieved in developing multiple peril contracts. Presently there are those committed to an all-risk policy with named exclusions and with an indivisible rate. Then there are those who advocate a named peril policy with specific rates for each peril. Unless these ideas can be harmonized, he said, there is danger of confusion that will retard the advancement of multiple peril underwriting.

Mr. Sheldon said he still hopes that the study of agency costs that N.A.I.A. undertook over two years ago can shortly be brought to a successful conclusion. Much valuable data has been gathered to date, but the task is complicated. It is hard to find enough agents who keep their records so the cost can be developed by line and size of policy and proper allowances made for management.

Touching on the automobile insurance problem, Mr. Sheldon said the agents must not apologize for rate increases and must show their customers why the rates are necessary and make clear to them the whole nature of the problem.

Resumes Private Practice

Ned McDaniel, insurance law specialist and chief of the state affairs division under the Texas attorney general, has resigned to enter private law practice in the Perry-Brooks building, Austin. He has been the principal legal adviser for the board of insurance commissioners.

Mr. McDaniel plans to organize a firm of insurance specialists in Austin, to handle claims defense, organization and admission of companies in Texas, legislative problems, and other regulatory matters.

Davis with N. B. in Utah

Neil L. Davis will become special agent in Utah and southern Idaho, with headquarters at Salt Lake City, for the North British group.

Missouri Agents to Meet Next Week at St. Louis

ST. LOUIS—A near-record attendance is expected for the annual meeting of Missouri Assn. of Insurance Agents here on Oct. 26-28.

Speakers at the Rural Agents' breakfast Monday, with Larry Gunn of Sikeston in charge, will be F. C. Marberry, Home, on farm insurance; James Cameron, Hanover Fire, on fire insurance; Russell Peacher, U.S.F.G., on casualty insurance; Harold Schmitz, American Associated, on automobile insurance; Harold Kummerow, Home, on marine insurance; and George Allen, Western Adjustment, on adjustments.

The program for the regular session that morning includes "The Automobile Situation" by Chester M. Kellogg, vice-president Alfred M. Best Co., and a talk by Maurice Herndon, Washington, representative of National Assn. of Insurance Agents. J. O. Honeywell, assistant secretary of New Amsterdam Casualty, who was scheduled for that sessions will be unable to attend.

The luncheon speaker will be Kenneth Ross of Arkansas City, Kan. Talks in the afternoon are "The Insurance Agent of Today" by P. H. Hawes of Speed Warner, Inc., Kansas City, and "The Insurance Business and You" by C. F. Harrington, executive vice-president of National Assn. of Casualty & Surety Agents and former Massachusetts commissioner.

Tuesday, Oct. 28, is to be devoted exclusively to a business session, including the election of officers.

Education for Examiners

A series of three hour lectures each week has been instituted in the New York insurance department for junior and assistant examiners. Ninety such lectures are projected to run over a three-year period. The course was laid out by Deputy Superintendent A. J. Straub, Jr. Superintendent Bohlinger addressed the first session. He said the course is related to the reorganization of the department that was brought about by the multiple line underwriting trend. Examiners will have to deal with the problems of multiple line companies and the examiners must be dynamic and well-informed. Lectures will be given by company men as well as members of the department staff.

Company men already scheduled to give talks are George W. Tisdale of Commercial Union; William D. Winter and Louis R. Burbach of Atlantic Mutual; Alfred Larkin of Prudential; Francis T. Curran of Loyalty group; Luther E. Mackall of National Surety; Frank E. Jerry of Miles Dawson & Co. Another course is to be given for senior examiners on a seminar basis.

Cade Joins Appleton & Cox

Don Cade, who has been with National Union at Chicago, has resigned to join Appleton & Cox.

Arthur Dill Promoted

Arthur G. Dill is being promoted from special agent at Flint, Mich., to senior casualty underwriter in the western department of American.

37 Join Insurance Fund

Thirty-seven insurance companies have subscribed to the Assn. of Better Business Bureaus insurance fund. The goal of the fund is \$200,000.

Old Guard Banquet

More than 500 New York members of the Old Guard, the America Fore 25-year group, held their annual banquet and entertainment at New York. President Frank A. Christensen welcomed the 64 new members.

Executive vice-president J. Victor Herd was present as an honored guest. There are 1,102 members of the Old

has filed that a television service agreement proposed by a Virginia company would constitute a contract of insurance and the company would have to operate under the insurance laws.

The caption of the picture on page 28 in last week's issue was turned about. The picture showed, from left to right, Wheaton Williams, Minneapolis; Walter Halla, Detroit; and Henry Young of Washington, D. C.

Carl F. Wentz, president of Bank of America, and Frederic B. Whitman, president of Western Pacific Railroad Co., have been elected directors of Fireman's Fund.

Fire Prevention Assn. of Ohio will inspect Miamisburg Nov. 6 and Martins Ferry Nov. 19. Verne Hart, Aetna Fire, will speak at Miamisburg and William A. Gibson, Jr., North British, at Martins Ferry.

Holmes Meade, head of Meade Co., and a former president of Kansas Assn. of Insurance Agents, is confined to a Topeka hospital with a virus infection and is not permitted to have visitors for the present.

Donald Donnelly, the son of E. C. Donnelly, Illinois manager of Northern of New York, is in the army hospital at Camp Gordon, Ga., with polio. Although he is partially paralyzed, Donald is making a steady recovery.

Convention Dates

Oct. 27-28, Missouri Agents, annual, Sheraton hotel, St. Louis.

Oct. 30-31, Pacific Fire Rating Bureau, Camelback Inn, Phoenix, Ariz.

Nov. 2-3, Arizona Agents, annual, Hotel Westward Ho, Phoenix.

Nov. 6-7, Michigan Assn. of Mutual Agents, Detroit-Leland Hotel, Detroit.

Nov. 9-11, Kentucky agents, annual, Kentucky hotel, Louisville.

Nov. 12-14, Wisconsin Agents, annual, Hotel Schroeder, Milwaukee.

Nov. 13-14, American Management Assn. insurance conference, Drake Hotel, Chicago.

Nov. 17-19, Indiana Agents, annual, Claypool Hotel, Indianapolis.

Dec. 29-30, American Assn. of University Teachers of Insurance, Morrison hotel, Chicago.

Nov. 12-13, Mutual Insurance Agents Assn. of New England, annual, Hotel Kenmore, Boston.

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Shadwell Views Market for Catastrophe Covers

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Wind Is Major Exposure

The 1950 storm in the northeast convinced the business that windstorm is a major exposure of catastrophe cover, and current thinking about such covers revolves largely around that unfortunate incident, he said.

Though catastrophe cover cannot be defined with any exactness, generally speaking the distinguishing feature is that it should come into effect only when several or many risks are involved in one event, and usually after the individual risks have been cut down to suitable limits by other forms of reinsurance.

Insurance is based on averages. The ideal insurer would have a very large number of risks of the same type and size, and all insurance companies, even large ones, aim at this by limiting their gross lines on individual risks and then, in most cases, by applying a surplus treaty or facultative reinsurance as a further measure to control the size of their lines.

Where the Cover Comes In

It is obvious that the averages thus arrived at, laboriously and expensively, are going to be upset pretty badly if the whole program is subject to a tremendous shock from one storm or conflagration involving hundreds or even thousands of losses in a matter of hours. This is where the catastrophe cover comes in.

In theory at least, the company decides how much they can afford to lose in one such occurrence without too much disturbing the operation of the law of averages. They get out the crystal ball and decide what is the maximum figure their losses might total in one such event. These figures having been arrived at as sensibly as possible, they proceed to arrange with a suitable reinsurer to take over all losses in excess of the first figure up to the second figure and they pay as premium for this protection a fixed percentage of their premium income on the classes of business covered.

This is the theory. In practice the deductible and the reinsurance limit are invariably a compromise between what the company would like and what they want to pay for. This is particularly true since the November, 1950, storm which involved catastrophe reinsurers so heavily that since then catastrophe covers have been quite expensive and sometimes hard to get.

Higher Retentions

Furthermore, in recent years reinsurers have developed quite definite ideas about the size of the retention or deductible that they consider suitable for any particular company irrespective of rate and it is very difficult to get them to quote at all unless the proposed retention seems reasonable to them compared to the volume and spread of business and the past experience. Of course, it is the wind hazard that concerns reinsurers

mostly and it is common for reinsurers to set about 20% of the annual wind income as the lowest practical deductible. Usually they are quite happy to have a lower deductible for the fire hazard and it is quite common nowadays to find covers with different deductibles for wind and hail on the one hand and for fire and other perils on the other hand.

There seems to be practically no discernible pattern regarding the amount of catastrophe protection considered necessary. One quite small company may insist on \$1 million cover while another much larger company will be satisfied with a quarter of that amount. Recent losses such as Texas City and the 1950 storm proved that it is rather hopeless to underwrite against catastrophe losses, so companies satisfied with small covers can easily turn out to be penny wise and pound foolish, especially as the top part of a cover is by far the cheapest. This point was well proved by the 1950 storm. At least half of the companies had not bought enough catastrophe protection to take care of their losses in that storm and certainly, prior to 1950, that extra protection could have been bought very, very cheaply.

Currently many companies are inclined to consider November, 1950, as about the worst that could happen and are satisfied with a cover large enough to take care of a similar loss. Mr. Shadwell suggested that a loss of double that size would be a better yardstick, even though it seems difficult to imagine a loss of such dimensions.

Problem of Market

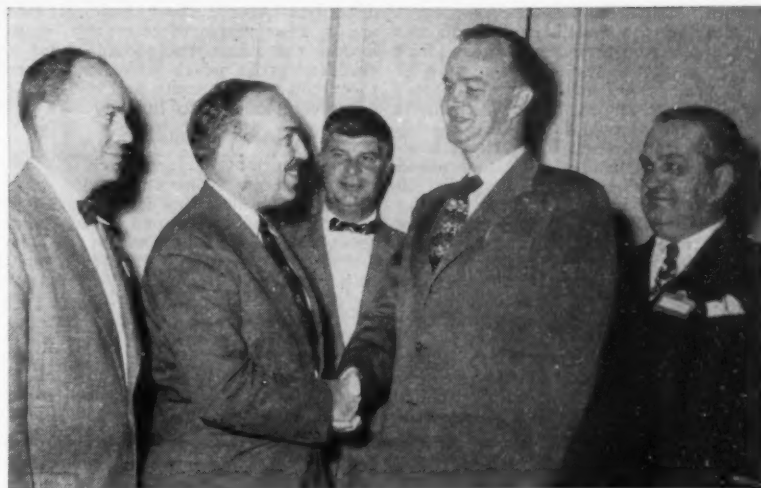
Just where to buy that much protection at any reasonable price is a bit of a problem for the larger companies.

Until about 15 years ago Lloyd's market had very little competition for this business. There was plenty of capacity available at very reasonable prices. Then came the 1938 New England hurricane which not only made reinsurer conscious of another real hazard in addition to the odd conflagration, earthquake or explosion, but perhaps more important, it paved the way for the tremendous growth of extended coverage business, which is now the main concern of the catastrophe reinsurer. The 1938 storm was followed by a series of bad storms in Texas in the early 1940s and then another hurricane in New England in 1944, all of which were extremely expensive to reinsurers and had their effect on the size and conditions of the covers reinsurers were willing to sell and the rate they considered necessary.

Around 1938, the first serious attempt to form an American pool for catastrophe covers on a large scale really got going, and since then the market has continued to widen. New pools were formed and additional companies added their weight to existing groups. Occasionally an individual company has made its own arrangements to write a certain amount of catastrophe business but it seems that such arrangements must necessarily be quite limited in scope. These developments were probably encouraged by the war which induced some degree of reluctance to rely too much on any foreign market, for such an important section of our reinsurance needs.

Today there are more markets available for catastrophe reinsurance than ever before but more shortage of total capacity than ever before. A number of American companies, direct and reinsurance, are willing to write a small cover or a small share of a large one, but finding a market for a real big cover for a large company really gets you into problems and he doesn't foresee much change in the near future.

One cannot expect much more total capacity from the fire companies in this country who, after considering the 1950 storm, are mostly quite concerned about



The caption under the photograph in last week's issue showing new and retiring officers of Connecticut Assn. of Insurance Agents was incorrect. Reading from left to right, above, are: W. W. Hatfield, Bridgeport, past president; W. Chandler Moffat, Westport, retiring president; G. Burgess Fisher, West Hartford, vice-president; Edgar H. Clarke, Manchester, the new president, and V. H. Forcier, Danielson, secretary-treasurer.

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their own catastrophe exposures without undertaking too much liability in the same areas from their competitors. The Lloyds market gives the impression of being pretty well saturated and shows no sign of changing. The catastrophe business on its own is not big enough or well balanced enough to attract independent capital to the extent that would be required. The most likely relief in sight as far as I can see is the casualty companies here. Many of them are entirely free of liabilities of this type and might well improve their spread by participating in a fire reinsurance pool. Several of them have already done so and more will in the near future, he believes.

Naturally, all of this will depend largely on the experience. If this November produces another storm like November 1950, there will really be a shortage of

capacity. On the other hand, if there are a few years without any major losses, the reinsurers should show an excellent profit which will incline them to extend their capacity and will attract other companies into this field.

Effect of Income Tax

An important factor which discourages reinsurers from writing too much catastrophe reinsurance is the incidence of income tax. From an underwriting viewpoint the reinsurer might be satisfied if his loss ratio were 500% every 10th year and about nothing percent for the intervening years, which is quite apt to happen in this type of business. Unfortunately, the income tax authorities are not underwriters and would tax away a great deal of the profit in the good years, which would not leave enough reserve to pay the loss in the

10th year. The direct underwriter has the same problem, but it is very much exaggerated for a catastrophe reinsurer.

Some very complicated theories have been advanced as to rating, but he doesn't think there is anything very scientific about it. On the other hand, it is not entirely haphazard and it is true that people really familiar with this type of business will arrive at pretty much the same conclusion about any given cover, even though their reasoning may be along quite different lines. He suggested it is something "you just get the feel of after you have been exposed to it long enough."

When the market sustains a loss as big as the 1950 storm, it is clear that something radical has to be done about rating and something like a pattern did develop. It might be described as the "Ten Year Amortization Theory."

What happens is this. If a cover producing a premium of \$25,000 a year developed a loss of \$250,000 in the storm, then the reinsurer would endeavor to increase the rate enough to produce an extra \$25,000 a year in premium, so that the loss would be amortized in ten years.

This would be in addition to the cost of the protection which it would be selling for the future, which in view of the new conditions might now be considered to be worth \$35,000 a year instead of the old figure of \$25,000. The two together would produce a premium of \$60,000 a year which is more than twice as much as before but I am pleased to say that most companies seem to have reconciled themselves to the fairness of this approach. On the other hand, it is contended under these circumstances that the reinsurer is trying to get his money back in three or four years, which does sound too short a period, but reasoning on this basis ignores the value of the protection still being afforded by the reinsurer and considers the entire premium as being the amortization of the old loss.

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Have openings for experienced casualty claim men. Write Mr. Dolmetsch, Room A-635, 175 W. Jackson Blvd., Chicago 4, Illinois.

Frelinghuysen to Hold Second Safety Conference

NEW YORK—On Nov. 13 J. S. Frelinghuysen Corp. will conduct a second safety program at Patchogue, L. I., this one a conference on accident prevention and highway safety. This follows a highly successful conference on safety and health in industry which the brokerage concern and its affiliate, H. E. Bilkey Corp., conducted in New York in June.

Invited to the Nov. 13 conference will be every county and town official and law enforcement officer in Suffolk county, along with others interested in cutting down traffic accidents. Hosts for the conference will be J. S. Frelinghuysen, Jr., president, and Forrest A. Heath, vice-president of the brokerage firm. Dr. Ross A. McFarland, associate professor of industrial hygiene at the Harvard school of public health, and Dr. W. A. Tillman of the University of Western Ontario and a member of the research staff of the Harvard school of public health are the safety experts who will get into the detail of accident prevention.

Miss. Mutual Agents Meet

F. H. Jackson of the Jackson & Brunsen general agency addressed the October meeting of Mississippi Coast Assn. of Mutual Agents at Biloxi on the new automatic reinstatement clause. He also discussed changing underwriting attitudes on certain classes of risks such as theaters and restaurants.

San Antonio Insurance Day

At the October meeting of San Antonio Insurance Exchange, Carlos Coon, acting president, announced that Insurance Day for all agents and office workers in San Antonio and neighboring towns will be held Nov. 5. The program for the day will be educational.

Now K. J. Hession & Co.

K. J. Hession & Co. is the new name of the Denver firm handling casualty, inland marine and compensation adjusting that was formerly known as Western Adjustment Service, Inc.

Texas Slate 1953 Meet

Texas Assn. of Insurance Agents will hold its 1953 convention at the Rice hotel, Houston, May 21-23.

W. W. Meissel at Key West

W. W. Meissel, who was for many years with Indemnity of North America at Chicago, has become manager of Key West Ins. Co., which is a local agency at Key West, Fla. He also has seen duty with Hartford Steam Boiler and Employers Liability.

Put Fur

The i the robb located put the jewelry volved Several The ou coats be Shop, a around erage or loss is i under p The j will run coverage sonal fu The b fessional made in torch. jewelry

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Put Chicago Jewel, Fur Loss at \$250,000

The insurance loss will be heavy in the robbery of the Lowenberg Fur Shop, located in the Chicago loop. Estimates put the total value of stolen furs and jewelry at \$250,000, and insurance is involved on all but about \$50,000 of this. Several companies are involved. The burglars made off with 22 fur coats being stored with the Lowenberg Shop, and the value of these is put at around \$125,000. The shop had no coverage on these, though almost all of the loss is insured by the individual owners under personal fur coverages. The jewelry loss is fully insured and will run about \$78,000. There was no coverage on \$50,000 of stock and personal furs belonging to the shop owner. The burglary was described as a professional one by police. An opening was made in the vault door with an acetylene torch. The inside safe containing the jewelry was unlocked.

Aviation Insurers Hold International Pow-wow

Doubt that the U. S. will ratify the recently revised Rome convention, which governs international liability to persons and property on the ground as the result of falling aircraft, was expressed at the annual meeting of International Union of Aviation Insurers in Venice.

Albert J. Smith, vice-president of U. S. Aviation Underwriters, the only U. S. company member of the union, was elected a vice-president, Robert Gravelin, of the French pool, president, and Per M. Hansson, of the Norwegian pool, vice-president.

Carl Fisher, vice-president, and Woodrow J. Van Hovan, manager, of U. S. Aviation Underwriters, also attended the Venice meetings.

Pacific Bureau Meeting Set

Pacific Fire Rating Bureau will hold its annual meeting at Camelback Inn, Phoenix, Ariz., Oct. 30-31. President John R. Cooney of National Board will be a special guest and will speak Oct. 30.

Boost Chest Contribution

Continental Casualty and Continental Assurance employes this week increased sizably their donations to the Community Chest Fund. At the suggestion of President Roy Tuchbreiter, all the officers and employes brought their lunch to work on Wednesday, and the amount of money that ordinarily would have been spent at eateries was given to the Community Chest. Continental has about 2,800 employes at the head office. The money thus raised was in addition to the previous contributions of the company and its employes.

Await New Directive

WASHINGTON—A Defense Department directive dealing with products liability in respect to aircraft is understood to be under consideration by officials in the higher echelons, which would change the directive issued on the subject late in 1951.

Likewise, higher officials are considering details of a group plan, including agents' commission on group coverage of employes of defense contractors, which has been submitted by Insurance Director Kane.

Consideration is being given to the possibility of postponing a meeting of the Defense Department insurance advisory board now scheduled for next month.

Mae Smith, A. & H. underwriter in the Los Angeles branch of Continental Casualty, has retired after 37 years with the company, under its retirement plan. She started at the home office and went to California in 1920.

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EDITORIAL COMMENT

Safety Is Producer's Business

The sponsorship of an accident prevention meeting for interested members of the public is unusual enough for an insurance brokerage firm to call for comment. In the case of the J. S. Frelinghuysen Corp., a projected November conference on Long Island will be the second safety meeting in the year. The first, held in June in New York City, deeply impressed leaders of industry, business and safety who attended it.

The investment of effort, time and money is what is for a brokerage firm a distinctly public service is concrete expression of the conviction of the management of J. S. Frelinghuysen Corp. that in a few years brokerage firms, and perhaps other producers as well, will be in the accident prevention business, that it is peculiarly the responsibility of the broker to provide safety education in an effective, localized way.

It is notable that the Frelinghuysen organization is not content to beat the drum for the surface, placard bearing type of safety meeting, but is attempting to display the root causes of accidents. For example, it is not only the attitude of the truck driver, but how the truck driving seat is built in relation to floor area where the gasoline and brake pedals are located that interests the safety experts they have on

their programs. There may be involved in the latter situation the real cause or potential cause of an accident.

Buyers today are leaning more and more on deductibles, and this is true for the small buyer as well as the large. They have the same objective, to reduce the cost of administration, and here they find that many insurer executives are in agreement with them. Since this is the case, the insured needs help to reduce loss because he is bearing the cost of a portion of it. The trend has been for the insured to become more safety conscious, and the closest person to the buyer is the one from whom he buys insurance.

It is perhaps natural that the buyer did not worry about losses so much when his insurance covered the full bill and insurance did not come as high as it does today. But nowadays insured is paying for the high losses, either in the high rate or by way of deductible. In either case he has a much keener interest in safety.

Those at Frelinghuysen also believe that this kind of safety education and promulgation will ease the job of placing large and small lines. It is a dual service, from which both insurer and insured benefit, and it is logical that the agent who stands between should provide it.

Systems and Psychology

Dudley Pruitt of General Accident, president of Insurance Accounting & Statistical Assn., in the "Interpreter," the magazine of the statistical group, offers some thoughts that are appropriate for the editorial columns this week:

Recently I had the experience of leaving Prestwick, Scotland, at 1:15 in the morning and arriving at Idlewild, Long Island, at 10:45 the same morning. Taking out the half hour on the ground at Gander, Newfoundland, and allowing for the difference in time, we made the crossing in 14 hours. Now, in today's manner of living there is nothing particularly remarkable about that. Ever since the last war human beings have been leading the sun a merry chase around the earth with the end not yet in sight. Last month the headlines told of a British jet flight from Ireland to Gander and return in eight hours elapsed flying time. We may yet start with lunch in London and end with breakfast the same day in New York. It is all a matter of time and space, of mechanics and the physical sciences, and in these realms it would seem that all we have

to do is wait patiently a while and somebody is bound to break each previously established record. It's as simple as that.

The trouble is, of course, that man does not live in a world of time and space alone, and physical records can frequently be broken faster than the resulting mental fractures can be mended. My own experience in the flight from Scotland was most disconcerting. One day I was strolling through Edinburgh Castle, the next I was fighting traffic on Forty-Second street. The flying time was only 14 hours but the historical time was more nearly 400 years. Science has eliminated the ocean from between the old and the new worlds, but the institutions and the ways of life between the two worlds are still separated by that ocean. Physically I was standing in Manhattan, but emotionally I was still watching Mary Queen of Scots have her head chopped off. I think it was an old Chinese philosopher (at least it sounds like one) who said, "It is necessary at times to sit and let the soul catch up with the body." Truly I had travelled too fast for my soul and

it had been left behind.

Is there a danger, sometimes, that in planning our office methods we leave our souls behind? I think there is no one more devoted to the cause of modernization and mechanical efficiency than I am, but I have seen the cause occasionally defeated by its unbalanced success. It never pays to impose a 20th century streamlined system on 19th century prejudice, whether the prejudice exists among the clerical staff, the department heads, or top management. You may think you've won a victory in a good cause, but you're bound to end up in confusion if your corporate body has to sit down and wait for your corporate soul. In other words efficient operation has many angles which must all be developed uniformly or the operation fails, and not the least of these is the angle of mental conditioning. The human mind cannot move faster than it is conditioned to move. All of which

leads to the thought that we need to be students of psychology as well as of systems.

Incidentally, before I sign off, I'd like to pay tribute to the natural politeness and good manners of our British cousins. Judged by American standards they are so considerate as to be almost embarrassing. How should you act when the other fellow apologizes for your mistakes? I am sure, also, that the attitude is natural and not a pose, for I noticed that the British treat each other, and not just tourists, the same way. They've lived on a congested island for a lot of years and have learned a long time ago, intuitively, that psychology is as important as systems. In many material ways we definitely have the advantage, though even there I found a few instances where it seemed to me they had the better of it. In matters of graciousness and tolerance, however, they hold an enviable position.

PERSONAL SIDE OF THE BUSINESS

George C. Cundiff is making his first visit to Chicago since retiring as secretary in charge of the farm department of Home in March of 1951. He saw for the first time the handsome new offices of Home in the Insurance Exchange building, in which all of the departments are combined, and he allowed that this was an improvement on the good old days. Mr. and Mrs. Cundiff built a home in Wellington Village, a suburb of Louisville, just a few doors from their daughter and son-in-law, Mr. and Mrs. Curtis B. Tarter. Mrs. Tarter is state agent of Home and president of Kentucky Fire Underwriters Assn. Mr. Cundiff is president of a large adult Bible class of Strathmoor Presbyterian Church. He is chairman of the publications committee of the men's council of the Presbytery of Louisville, and is a member of the executive committee of Strathmoor Men's Club.

Roy E. Thomas, who has already taken over his new duties as secretary-manager of Arkansas Assn. of Insurance Agents, is a graduate of the University of Arkansas, and has done graduate insurance work at the University of Texas. He has had experience as a field man for the Floyd West & Co. general agency, and more recently he has been a local agent at Wolforth, Tex.



Roy E. Thomas

George R. Miller of Helena, Mont., who is paralyzed from the chest down as a result of injuries sustained when he fell at the Canyon Hotel in Yellowstone Park July 17, has been taken to San Francisco in a private ambulance plane to undergo special surgery.

Mr. Miller, who is president of the T. B. Miller agency at Helena, is a former member of the executive committee

of National Assn. of Insurance Agents, and recently was elected honorary state national director of the Montana association. He had had both kneecaps removed in previous surgery since his fall.

According to Maj. Thomas B. Miller, his brother, who returned to Helena from extended military service to manage the Miller agency, he is in good spirits.

Marjorie I. DeCelle has resigned as executive secretary of Vermont Assn. of Insurance Agents to get married. She has been with the Hoffman agency at Brattleboro and Betty Wohlner, also of that agency, becomes acting executive secretary.

Walter G. Dithmer, public relations director of Western Underwriters Assn., has been placed in charge of local arrangements for the convention of American Assn. of University Teachers of Insurance at the Morrison hotel, Chicago, commencing Dec. 29.

Armand W. Harris, former Minnesota commissioner, now with St. Paul Fire & Marine, has been appointed 1953 Minnesota campaign director for National Cancer Society.

G. K. Taylor, state agent of Aetna Fire, has been taken home from an Oklahoma City hospital, where he has been under treatment for brain tumor. He is reported recovering satisfactorily.

Dennis W. Smith of Universal of Tangiers, Morocco, the reinsurance company, visited the mutual meeting in Philadelphia last week.

R. D. Anderson, veteran Arkansas City, Kan., agent, who recently sold his interest to his former partner, R. P. Guyot, has just returned from a trip to Japan with the Ft. Meyer, Va., semi-pro army baseball team which won the United States championship in August at Wichita and played Japan for the world championship.

James Matthews, editor of the American Agency Bulletin, is the father of a baby, the family's first boy.

F. Elmer Sammons, president of Han-

THE NATIONAL UNDERWRITER

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SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.

over Fire, was honored on his 50th anniversary with the company at a luncheon at India House, New York City, where the insurer had its offices in its initial years. Directors, officers and 25-year personnel at the home office were hosts. Paul H. Barr, vice-president and western manager, represented the Chicago office. John Rygel, vice-president, was master of ceremonies.



F. Elmer Sammons

Mr. Sammons was presented with a silver dollar, vintage of 1902, by Vice-president R. J. Larner, who noted that Mr. Sammons had been the recipient of many a buck-passing in his time with the company. He also received a \$5 gold piece, minted in 1902, attached to a money clip; a bound volume of letters from friends and associates over the country; a number of fall bouquets, and a silver service which was the gift of associates and the company. Director Walter H. Bennett of Emigrant Savings Bank read a resolution from the directors.

Patricia Sanborn, daughter of Earl R. Sanborn, secretary in the western department of Great American, and Mrs. Sanborn, was married last Saturday at Winnetka, Ill., to Ensign Stephen Palmer Paddock, son of Stephen M. Paddock, well-known life insurance man and broker, and Mrs. Paddock. Ensign Paddock flew to Chicago from Long Beach, Cal., where he is stationed, for the wedding and the couple flew back to the coast the next day. Mrs. Paddock was attending Northwestern University and she plans to enter college on the coast.

William Baker and Leslie Quartermaine of the London Lloyds firm of Leslie & Godwin are on a business visit to the U. S.

Field Men, Adjusters Form Unit

Property Insurance Forum has been formed at New Haven by fire and allied line field men and adjusters from that area.

Permanent chairman is Bert Purdy, manager of General Adjustment Bureau, and secretary is Clyde Orr, assistant loss superintendent of Security of New Haven.

Huffman-Kendall agency has been formed at Dayton, O., with Frank M. Kendall, formerly manager of the LaSalle agency there, as president.



Shown at the Kitchen Kapers Show, one of their four New York City television appearances at which they put on their fire prevention clown act, are Henry Ritgerod and Carl Smalley, Little Rock insurance men, and Tiny Ruffner (center). Mr. Ritgerod, the clown, and Mr. Smalley, the straight man, have staged their act for many school children in their state and were at New York to help the National Board make a color film to be shown before other school children.

DEATHS

MRS. KIMBALL MACK, wife of L. Alexander Mack, president of the Weekly Underwriter, died suddenly of a heart attack at her home at Montclair, N. J., last Friday. She was a native of Essex, Mass., and was educated at School of Ethics.

Mrs. Mack had a wide acquaintance among the insurance fraternity, having traveled extensively with Mr. Mack and attended numerous insurance conventions. There is a daughter, Margery Parker Mack, who is a student at Wellesley.

JESSE M. WALLER, 79, retired vice-president of Aetna Fire, died in a Richmond hospital. He had made his home at Tappahannock, Va., since his retirement Jan. 1, 1947. A native of Virginia, Mr. Waller entered insurance work at his home town of Lynchburg. In 1903 he went into the field for Citizens and two years later became state agent of Fireman's Fund for Vir-



JESSE M. WALLER

ginia and the Carolinas.

In 1921 he became state agent of Aetna in Virginia and in 1923 went to the home office as general agent. He was advanced successively to assistant secretary, secretary and vice-president, serving as vice-president in charge of the southern department from 1933 until his retirement. For several years he also directed the countrywide brokerage activities of the group.

He served as president of Stock Company Assn., a syndicate organized in 1935 to handle insurance on properties in which HOLC was interested, and also as president of Southeastern Underwriters Assn., being elected to the latter post in 1939.

CARMINE SCALA, 76, who founded the Wehl & Scala agency at Utica, N. Y., in 1904 died there.

EDWARD HEER, who died at Pittsburgh at the age of 87, had retired in 1937 as vice-president and secretary of Superior Fire. He had been with that company 54 years, commencing when it was known as Humboldt Fire. Superior

Fire was purchased by the Loyalty group in 1925 and was entirely reinsured in Firemen's in 1939.

W. HERBERT STEWART, an insurance veteran of 54 years, who was chairman of the Chicago agency of Stewart, Keator, Kessberger & Lederer, and who for many years was an influential and respected figure on the stage of organization activities in Illinois and nationally, died at Woodlawn hospital at Chicago, Monday morning. He had been hospitalized two weeks but up to that time his health had been good and he had been going to the office nearly every day. Funeral services were held Wednesday. His age was 76.

He was born at Baltimore and after working in a law office for six years, he went with American Bonding at Baltimore in 1898. Later he aided in the organization of the old Illinois Surety and in 1904 went to Chicago as manager of that company. Subsequently, he returned to the service of American Bonding and was stationed at New York. Then in 1909 he became Chicago manager of that company. In 1913, when American Bonding was sold to Fidelity & Deposit, Mr. Stewart went with Joyce & Co. at Chicago. In 1920, the three

others whose names appear in the firm name left Joyce & Co. to form S. K. K. & L. Mr. Stewart served as president until early in 1949 when he became chairman.

Mr. Stewart served as president and later several terms as chairman of Illinois Assn. of Insurance Agents, and due to his valued work as chairman of the surety committee of National Assn. of Insurance Agents, he was awarded the Woodworth Memorial of N.A.I.A. in 1937. Incidentally, at the 1951 convention of N.A.I.A. at Chicago, Mr. Stewart was host at a luncheon for all those holding the Woodworth award that were present, and he hoped at that time to make this an annual event.

MAURICE R. PINSON, 50, who established his own agency at Nashville after more than 20 years with Bright & Co. as a solicitor, died suddenly of a varicose vein hemorrhage.

MILTON M. SPRADLIN, prominent local agent of Tampa, died at Franklin, N. C., at his summer home at the age of 59. He had operated the agency at Tampa for the last 12 years with his cousin, William Spradlin.

JERROLD J. SEAWELL, 55, Roseville, Calif., president state board of equalization and for nearly 20 years a leading local agent and member of the California legislature, died. As member and chairman of the insurance committee of the assembly and later of the senate, he authored and co-authored many constructive insurance measures including qualification laws, and corrective

(CONTINUED ON PAGE 28)

BRANCH OFFICES IN PRINCIPAL CITIES

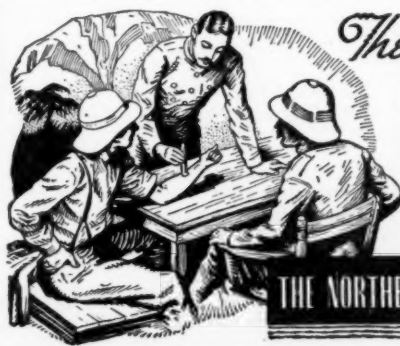
FIELD SERVICE NATIONWIDE

INLAND, OCEAN MARINE, YACHT, AND AIR CARGO LINES

Appleton & Cox Inc.

111 John Street, New York 38, New York

80th Anniversary Year



Their JOB is to PROTECT!

CONQUERORS OF DISEASE — Like Dr. Walter Reed, who spent years in the Jungle to conquer yellow fever, the World owes a debt of gratitude to the Men of Science who devote their lives to the study and cure of diseases of men and animals.

The Northern Assurance has provided reliable Insurance Protection for over 114 years.



THE NORTHERN ASSURANCE CO. Ltd.

FIRE AND ALLIED LINES, AUTOMOBILE INLAND MARINE, REPORTING FORM, FLOATER CONTRACTS NEW YORK • CHICAGO • SAN FRANCISCO

Kline Elected Kansas President

Menace of Compulsory Cover Federal Encroachment Told

The dual menace of compulsory automobile insurance and government encroachment on the business was described at the annual meeting of Kansas Assn. of Insurance Agents by Kenneth

one way to protect the American people against the results of motor vehicle accidents, physically as well as economically. It is to make the motor vehicle laws of every state fit the enormity of the problem that is before us, and enforce those laws so vigorously and so fearlessly that no one will dare violate them. We are dealing with a killer, and as a killer it must be handled. That means a lot of things."

Mr. Ross also discussed the work of the N.A.I.A. committees on commissions, federal all-risk crop insurance and legislation.

Mr. Neumann went thoroughly into the subject of government encroachment, dating from the 1914 war risk plan, although he said there were two previous small scale efforts. He also stated that there is no state in the union that is not in the insurance business in one form or another, pointing out further that government or state insurance never loses a renewal. He urged adoption of a plan of action, saying that "a business that does not look to the future has no future," and outlined his five-point program for maintaining private enterprise. He said that "a start had best

be made soon and anything is better than sitting idly by." He cited efforts already launched by other industries and pointed out how insurance could and should follow their example.

President Fullington urged everyone to vote in November, as we "are bosses for a day—and have the right to fire and hire."

General Insurance Panel

An interesting convention feature was a general insurance panel, with Robert S. Charlton, Lawrence, educational committee chairman, as coordinator. On the panel were Harry W. Hoffman, Phoenix Indemnity; George E. Erickson, New Hampshire; L. A. Magill, Kansas Inspection Bureau; Walter W. Rowse, Western Adjustment; John F. O'Reilly, Royal-Liverpool; Russell R. Brown, fire actuary, and R. L. Jewell, casualty actuary, both of the Kansas insurance department. General insurance questions were answered from a question box and from the floor in a two-hour session which brought every member of the panel into the discussion.

Commissioner Sullivan at the closing session Thursday afternoon reported on the growth of insurance in Kansas. He said the department collected \$3,800,000 in taxes in 1951, an increase of \$500,000 over 1950, but his office is operating on a limited budget, the bulk going into the state's general fund. Mr. Sullivan invited the agents and their assured to write the department on any questions or service desired. He said its job is to furnish economic security to the people of Kansas. He then took up the problem of government encroachment on private insurance, and discussed the automobile assigned risk plan, asserting that many companies haven't furnished their agents with information on the mechanics of that plan. He said that a financial responsibility law with teeth is now proposed for Kansas but that people must get behind it and its enforcement and also establish car inspection. In conclusion he said: "We (the agents) have an obligation—we have to 'sell' this insurance—and the fact that we've got it doesn't mean we are going to keep it."

What It Costs to Run Agency

"What It Costs to Run an Insurance Agency" was presented by James R. Gregory, vice-president of Rough Notes Co. He reviewed charts and graphs that had been published in Rough Notes, based on a study of agencies writing \$15,000 to \$1 million premiums, breaking down the various expenses of payroll, taxes, rents, telephone, supplies, office expense, selling expense, etc., and pointing out how various expense has changed in late years. He has appeared before some 38 state associations giving this helpful information.

A reception honoring Mr. Neumann and John G. McFarland, Rockford, Ill., western manager of American and a former Kansas field man, was held preceding the banquet. Kansas Fire Underwriters Assn. was joint host with Kansas Assn. of Insurance Agents.

It was announced that the 1953 convention will be held in Wichita Oct. 19-20 with the Broadview Hotel as headquarters.

Milton G. Jefferson of the Jefferson agency, has been elected president and William N. Nunnally of Allen M. Reager & Co., vice-president of Big Springs Golf Club, Louisville.

Charlton Placed in Line for Next Year at Topeka Meeting

Proposed W.U.A.-W.I.B. Merger Approved—Ask Further Deductible Study

William L. Kline, partner with his two brothers, John and Norville, Jr., and his father, N. N. Kline, in the Kline agency at Hutchinson, was named to succeed Howard N. Fullington of Dulane, Johnston & Priest, Wichita, as president of Kansas Assn. of Insurance



R. S. Charlton



W. L. Kline

Agents at its annual meeting at Topeka. Named president-elect and executive committee chairman was Robert S. Charlton, Lawrence, an executive committee member for two years and educational committee chairman for several years. He is the second son of a former Kansas president to advance to leadership, being the son of the late Glenn Charlton, two-term president. The other was Alex Case of Marion, who followed in the footsteps of his late father, Rosse Case.

Charles Blakely, 3rd, Topeka, son of C. G. Blakely, Jr., former two-term president, was named secretary and Paul H. Heinz, Jr., Topeka, was renamed treasurer. Carl Guilkey, Independence, former secretary, made the nomination committee report. The new officers were installed at the banquet Thursday night by Joseph A. Neumann, Jamaica, N.Y., N.A.I.A. executive committee member.

New Executive Committee Members

New members of the executive committee are M. A. Peterson, Simion agency, Pittsburg, and Don C. McIlrath, Great Bend. Charles A. Schiefel, Colby, was renamed for an unexpired term. Mr. Fullington goes on the executive committee as immediate past president. Kenneth Ross, Arkansas City, was renamed state national director.

All standing committee chairmen were renamed except that Cheney Prouty, Kansas City, succeeds Dorth Coombs, Wichita, as safety and accident prevention chairman.

Resolutions were adopted urging support of stronger driver license laws and stronger financial responsibility laws; approving Underwriters Assn. taking over operations of Western Actuarial Bureau, and urging further study of the



Kenneth Ross



J. A. Neumann

Ross, Arkansas City, Kansas state national director; and Joseph A. Neumann, Jamaica, N. Y., N.A.I.A. executive committeeman, and Commissioner Frank Sullivan of Kansas.

On the compulsory side, Mr. Ross reviewed the failure of the Massachusetts law and concluded that "there is only

KANSAS UNDERWRITERS

State and General Agents

KANSAS, OKLAHOMA

and

WESTERN MISSOURI

Fire, Casualty and Inland Marine

Specializing In All Casualty Lines

Thirty-One Years of One-Day Service

Attractive Contracts for Qualified Agents

WICHITA, Kansas

L. T. Hussey
T. M. Hussey

HUSSEY & HUSSEY
GENERAL AGENTS

TOPEKA

KANSAS

Century Indemnity — Franklin National — Globe & Rutgers — Standard of N. Y. — Trinity Universal — Western Assurance

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hail losses.

Registration was 575 with over 600 at
the banquet.

Much credit goes to Executive Man-
ager Alpha H. Kenna, who has asked to
be relieved Oct. 31 after six years with
the Kansas association as its first full
time paid secretary and educational di-
rector. He arranged the program, which
included an educational panel, a discus-
sion of the tax equality problem by
Joseph F. Leopold, Dallas, a report
from the Kansas department, a farm
writing agents' breakfast, a discussion
of "What it Costs to Run an Insurance
Agency" by James R. Gregory, vice-
president of Rough Notes Co., report
from the National association by Mr.
Neumann.

Entertainment included a buffet sup-
per for men and ladies Wednesday night
and the banquet, followed by a dance
Thursday night.

A feature of the Kansas conventions
has always been the past presidents'
dinner the first evening. For the past
three years the Insurance Magazine has
been host to these get-togethers. Henry
A. Bodendieck, associate publisher, and
Harry P. Bouck, editor, represented the
host magazine. Moving pictures of the
1951 gathering were shown and movies
taken of 16 ex-presidents on hand. Those
present included C. G. Blakely, Jr., and
Bert Mitchner, both of Topeka.

Awards Made at Banquet

Mr. Fullington presided at the ban-
quet. There were no speeches. Mr.
Fullington announced that Jim J. Wil-
cox, Emporia, had again won the Rosse
Case Memorial Cup for the individual
agent contributing the most toward fire
safety; awarded the Frank T. Priest Cup
to the Wichita board as the local board
doing the best job in public relations
during the year, and also to Wichita
the new Cheney Prouty Cup for the
most effective work in safety education
and accident prevention. Joe Moddrell,
fire prevention committee chairman of
the Wichita board, accepted these two
cups.

Honorary life memberships in the
Kansas association were presented to
Frank T. Priest, head of the Dulaney,
Johnston & Priest agency, Wichita, and
to Dr. Kenna, who is retiring as execu-
tive secretary. The \$25 cash prize of-
fered by Frank T. Priest for the best
sales suggestion went to Preston Bacon,
of the Northcott-Bacon agency, Newton.
Dr. Kenna was presented two fine gifts,
a set of gold cuff links and scarf pin
with American Legion motif by Kansas
Fire Prevention Assn. for his interest in
fire safety and an engraved wrist watch
by the executive committee of the
agents' group. Retiring President How-
ard Fullington and Mrs. Fullington re-
ceived an ebony bowl with silver base
for the new home they are now building.
C. J. Wintroll, Royal-Liverpool, Wich-
ita, and George F. Bacon, El Dorado,
made the two presentations in behalf of
the two organizations.

Jayhawk Jottings

R. H. Gregg, assistant manager, Free-
port, was the home office representative
of **Crum & Forster** at the Kansas agents'
meeting at Topeka. Robert E. Jackson,
Wichita state agent, who is being trans-
ferred to Cleveland, was on hand to bid
adieu and introduce his successor, R.
W. Willey. Howard S. Searle, state
agent, Topeka, and V. G. Lohse, hail su-
pervisor, Topeka, were also on hand.

Fred W. Neuner resident manager of
Columbia Casualty, St. Louis, was at
the **Commercial Union** headquarters with
State Agents Lloyd Gaines, Topeka, and
H. J. Schoeppe, Wichita.

S. C. Jones, assistant western manager,
Chicago; Frank M. Pruett, manager at
Kansas City; Herbert J. Clough, farm
manager, Chicago; and State Agent John
L. Lockwood, Wichita, were at the
Providence-Washington headquarters.

The Kansas department was repre-
sented by Frank Sullivan, commissioner;
John Corkhill, assistant commissioner
and attorney; R. L. Jewell, casualty
actuary, and Russell R. Brown, fire actu-
ary.

Fidelity & Deposit had a full repre-

sentation from the Kansas City branch,
including M. K. Ramsey, manager; J.
H. Trueheart, associate manager; J. R.
Lee and Ed. Blondell, special agents.
Mr. Blondell, recently transferred from
Baltimore, was attending his first Kan-
sas convention. As usual they distrib-
uted newspapers to the hotel doors and
also memo books in the kits furnished
those who registered.

O. R. Leeds, Kansas City manager, was
head man at the **U. S. F. & G.** headquar-
ters, assisted by W. J. Green, field super-
visor, and Paul Scott, new state agent,
replacing George Hobbs, who is being
transferred to Richmond, Va. Mr. Scott
formerly traveled northern Illinois.

Roy L. Davis, midwest manager of
Assn. of Casualty & Surety Companies,
Chicago, was on hand.

Wm. Williamson, marine manager, and

Harry G. Jackson, assistant manager of
American International Underwriters,
Chicago, were Kansas first-timers.

At **Hanover** headquarters State Agent
H. O. McIntosh, a veteran in the Kan-
sas field, was introducing his new as-
sistant, L. H. Mahoney, special agent,
Topeka, just back from a 1½-year hitch
in the navy.

J. A. Bosdett, regional manager of
Royal-Liverpool, Kansas City, was as-
sisted by John O'Reilly, inland marine
manager, Kansas City; Steve L. Lefter-
son, state agent, Topeka, a newcomer to
the Kansas field; C. J. Wintroll and
William Bock, state agents, Wichita.

George W. Dyer and H. P. Linn, vice-
presidents from the home office, and
Homer H. Minnick, state agent, Wich-
ita, were at the **Central Surety** head-
quarters. They gave the grand attend-

ance prize for the convention, a \$25
defense bond.

Tom Burford, former Kansas and Ark-
ansas field man, who has returned to
open the Southwest Fire & Casualty
general agency at Wichita, was meeting
old friends.

Company men at the **Hussey & Hus-
sey** headquarters included Cleveland Fox
and Robert Miller, vice-presidents of
Trinity Universal, Dallas; Joe Gregg,
automobile department, Crum & Fors-
ter, Freeport; Chester L. Zook, asso-
ciate manager, and E. E. Humphrey,
agency superintendent of Franklin Na-
tional, Chicago.

W. H. Noble, Wichita state agent,
held forth in the **North British** head-
quarters, as Topeka state agent Earl W.
Walker is still recuperating from major

PLAIN TALK

about THE AUTOMOBILE SITUATION

As experience in automobile lines worsens,
relief is sought through rate increases. This
is not the whole answer to the problem.
High rates are a threat to the Agents and
Companies. High rates often result in an
adverse selection of risks by driving the
better customers to buy cheaper insurance,
and invite criticism of every cost factor in
the rate structure—including commissions.

Good agents know this and are working
with their companies to combat the prob-
lem. They are doing it by:

1. The careful selection of the individ-
ual risk to the end that the lowest
possible rates may be maintained.
2. By "selling all lines," not only to give
the client the best possible profes-
sional type service, but also to give
the companies the benefit of diversi-
fication and spread of risk.

The Western is eager to serve good agents
of this kind.

THE WESTERN CASUALTY AND SURETY COMPANY THE WESTERN FIRE INSURANCE COMPANY

Home Office
Western Building
Fort Scott, Kansas

E. C. Gordon, Secretary



Executive Offices
916 Walnut
Kansas City 6, Missouri

Ray B. Duboc, President

surgery though he is now able to be at his office part time.

J. K. Brown, assistant secretary, a former Kansas field man, represented the St. Paul home office. Harlan Martin, state agent, Topeka; J. K. Rippetoe, state agent, and J. E. Landreth, special agent, both of Wichita; John Schmit, St. Paul Mercury Indemnity, Kansas City, and Jack Hill, engineer and auditor, Wichita were host at the headquarters.

Attending their first Kansas convention were Frank J. Swallow, state agent, and James M. Martin, special agent of Royal Exchange, both of Kansas City.

The Kansas City Fire & Marine had headquarters with Fred Calvin, executive vice-president and O. P. Rush, vice-president; State Agents A. H. Lindsey and Gene K. Thomas and Special Agent Robert L. Epperson, in charge.

M. A. Hillgers, special agent, represented the Cimarron Fire of Cimarron, Kan.

At the Great American group headquarters were B. J. Schultz, agency superintendent, Chicago; N. K. Nelson, state agent, Topeka; Norman Graves, state agent, Wichita; Walt Freese, special agent, farm and hail department, and Bob Lavery, Kansas City, special agent of Great American Indemnity.

W. D. Cameron, assistant manager western department of Boston, Lansing, Mich., was on hand with State Agent Robert K. Nelson.

Chester L. Zook, associate manager National Fire, Chicago, another former Kansas field man, was back for the Kansas convention along with E. E. Humphrey, agency superintendent. Also at headquarters were State Agent K. J. Stolke; Special Agents Dean Snapp and A. G. Cory, Topeka, and E. H. Carpenter, Great Bend.

At the Travelers headquarters were J. A. Hyfield, superintendent of agencies fire companies; Walter W. Sukow, manager, and Stanley Shaw, field assistant fire companies, Kansas City; W. G. Goldsmith, assistant manager, Wichita; R. H. Hawley, Kansas City casualty manager; Gordon Ditz, assistant casualty manager, Wichita; C. C. Cook, life manager, and W. R. Sterner, assistant manager, Kansas City.

Preferred Fire had quarters where A. C. Reed, executive vice-president; L. B. Burt, vice-president; Lloyd Morgan, hall general manager; Fred Powers, special agent, Salina, and Charles Gundy, special agent, Manhattan, were hosts.

Frank Regier, state agent of Corroon & Reynolds, Topeka, and L. E. Morgan, hall department manager, represented their group.

M. J. Seaman, examiner and E. W. Cunningham, inland marine manager, represented the western department of America Fore. Also at their Jayhawk headquarters were State Agents Merle O'Dell and Bob Malaney, both of Kansas City, and W. A. Davis, Wichita.

Two old timers from Kansas City, now retired, were greeting old friends. R. D. Air, America Fore state agent, who went on inactive service 10 years ago, and celebrated his 62nd year last January, and G. H. DeVries, who started with New York Underwriters in 1898. Another veteran field man on hand, but still in active service, was John C. Dulany, Oklahoma City, executive state agent of Sun for Arkansas, Oklahoma and Kansas. He was accompanied by State Agent L. H. Singleton.

At the Blakely & Co. headquarters

were E. S. Robinson, assistant to the president, and John Chervenak, vice-president, Commercial Standard, Ft. Worth; Earnest Gammage, vice-president Pan American Casualty, Houston; C. E. Havocotte, president Universal Security, Lincoln, Neb.

Associated Aviation Underwriters was represented by J. Robert Chapman and James Reeder and Bill Rees, special agents, Kansas City.

Hartford Fire had headquarters where a fine Dutch lunch was served each noon. From Chicago were L. E. Grigsby and J. W. Burden, assistant managers, and H. J. Bleser, superintendent of agencies. Paul Dow, manager of Hartford Accident, had his aides W. E. Heaney, assistant manager; Ralph Morrison, agency superintendent, and W. S. Pace, automobile superintendent, all of Kansas City; Special Agents Ray Roeden, Topeka; Fred Wasson, Hutchinson; Bob Morrison, Pittsburgh, and Floyd Manakmeyer, Kansas City. Fire field men on hand included R. M. Covington and O. D. Butcher, Topeka; R. J. Kille, Great Bend; Van E. Higbee, farm and hail special agent, Wichita, and Loren Lake, farm special agent, Great Bend.

Much Interest in Kan. Farm Writing Agents' Breakfast

More than 100 turned out for the farm writing agents breakfast at the annual meeting of Kansas Assn. of Insurance Agents at Topeka, with Past President Alex Case, Marion, presiding. Speaker was John G. McFarland, president of Farm Underwriters Assn. and manager of the western department of American, Rockford, who was in the Kansas field in the early '30s.

Mr. McFarland pointed out the many improvements in farm schedules and forms since Farm Underwriters Assn. was organized in 1920 and the lower rates that now prevail. Today, he said, the only basic difference between a city assured and one living in the country is the rural address of the latter, as both have the same convenience and educational facilities. He asked the agents for their suggestions for further changes in forms and rules and promised that all would be given every consideration, although all might not be approved.

The session was turned into a question and answer period following his remarks. Only two matters caused more than routine reply. These were contentions of several agents writing live stock that the definition of "range cattle," which has been changed several times in recent years, is still unsatisfactory and the other was the proposed \$50 deductible extended coverage form as applied to wind and hail losses.

Several agents agreed that some form of deductible would be helpful but thought that perhaps \$50 was too high and some were in agreement on the proposed \$50. Rather lively discussion held the meeting until 10 a.m. when it was necessary for Mr. Case to call for adjournment so those present could attend the regular convention session.

Atlas Life Makes Changes

Atlas Life of Rapid City, S. D., has appointed Lawrence W. Eastman superintendent of agencies. He has been home office inspector of Unity Mutual L. & A. The company has gone into the weekly premium life and hospitalization business in South Dakota and has named Charles Green, Jr. and William Reynolds, and Walter Chapman as field supervisors for this line.

Exchange Insurance Association of Chicago and American Aviation & General of Reading, Pa., have been licensed in Louisiana.

Decision Reserved in Test of Private Insurance Part in N.J. TDB Law

New Jersey Superior Court Judge Ewart has reserved decision in a suit brought by New Jersey State Federation of Labor to test the constitutionality of coverage by private insurance companies under the state temporary disability benefits law for workers who are opposed to such coverage.

The New Jersey law gives employers the option of using either private insurance plans or the state fund to meet requirements for providing cash benefits to workers suffering non-occupational illness or disability.

The test suit was brought by the state AFL for Carl Schielke, an elevator operator at the Stacey-Trent Hotel, Trenton. The suit challenged the private plan feature of the law and contended it contains the following two constitutionality objectionable features:

—That an employer will not pay all expenses of a private plan can, with or without consent of his employees, exempt them from the state plan.

—That if employees contribute to the insurance plan, and agree to it by ma-

jority vote, the unwilling minority must accept the private plan and lose coverage under the state plan.

Schielke asserted he was opposed to private disability coverage. The hotel denied he was opposed, and said further that he had since benefited from a claim made under the coverage. The hotel also said that the union's business representative assented to the private plan.

After being approved by a majority of the hotel's employees eligible to vote, the private policy was put into effect Jan. 1, 1949, with Connecticut General Life. Schielke contended that part of his wages were being taken against his will and paid in insurance premiums. He argued that such procedure was in violation of his constitutional rights, in that it deprived him of wages and property without due process of law.

Psychology Talk in N. H.

Prof. L. A. Baker of University of New Hampshire spoke on "Psychology of Selling" at a meeting of the New Hampshire A. & H. Underwriters Assn. at Concord. There were 31 at the meeting with Albert Edgerly of Laconia presiding.

The association will hold its next meeting at Portsmouth Jan. 12.



NEW KANSAS AGENTS ASSOCIATION OFFICERS:

Chas. G. Blakely, III, Topeka, secretary; Robert S. Charlton, Lawrence, president-elect and executive committee chairman; Wm. L. Kline, Hutchinson, president; Paul H. Heinz, Jr., Topeka, treasurer.



Prominent figures at Kansas Assn. of Insurance Agents annual meeting: Kenneth Ross, Arkansas City, state national director; Howard Fullington, Wichita, retiring president; Joseph A. Neumann of Jamaica, L. I., member of executive committee of N.A.I.A. who was a prominent convention speaker, and John G. McFarland, western manager of American, and president of Farm Underwriters Assn., who gave an address.

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ALL DAY FORUM

Study U. & O. Sales, Losses and Underwriting in N.J.

NEWARK—The sellout crowd which attended the all-day business interruption forum here this week was testimony to the increased interest that has been shown in time element coverages in recent months by both companies and agents.

H. C. Klein, secretary of New York Underwriters, laid the groundwork for the discussion by his opening remarks at the forum, which was sponsored by New Jersey Special Agents Assn. George S. Jones, executive general adjuster of General Adjustment Bureau analyzed the coverage from the loss point of view. Garrett W. Roerink, analyst of American, acted as moderator.

Mr. Klein presented the underwriting analysis of the time element coverages by relating the story of the Peebee (prospective buyer) brothers—Bill, John and George.

Varied U. & O. Exposures

Bill owns his home, is president of a bank, trustee of a private school, and operator of a factory occupying two buildings, one of frame construction in the business district and the other on the outskirts, manufacturing motors for Jones Washing Machine factory, Smith's Vacuum Cleaner factory, and using castings manufactured in Jackson's Foundry. John Peebee rents the dwelling he occupies, is the sole owner of a drug store, is director of a hotel corporation and trustee of his church and lodge. He owns a building which he rents to a chain store.

George Peebee is the tenant of an apartment house and manages a laundry which occupies a building rented under a favorable 20-year lease subject to cancellation if the building is totally destroyed by fire. As a side activity he is part time sales agent for the products of a southern textile mill.

With the Peebees as a base, Mr. Klein illustrated 21 time element exposures. These included rent and rental value, additional living expense, leasehold interest cover, extra expense—as to laundry, bank, lodge, etc., and business interruption. Four of the exposures need direct business interruption coverage—Bill's factory, the private school of which he is a trustee, John's drug store and the hotel of which he is a director, and there are five that require contingent coverage—Bill's factory which has four contingent exposures, George's sales agency with one exposure.

Two Covers Compared

Mr. Klein noted in connection with Bill Peebee the relationship of additional living expense insurance to rental value coverage. Taxes and interest would be paid by rental value while additional living expense cover would reimburse him for living expenses in excess of normal. He purchased both, but deducted from the total of continuing and additional expenses the amount of rental value insurance because additional living expense insurance pays the excess of loss over the recovery from the rental value insurance.

He emphasized the importance of the coverages on mercantiles. There never was a time when the prospects of U. & O. sales to merchants were better than now in view of the approaching Christmas season and indications of a rising demand for goods by people who are spending freely.

Any merchant who is forced to close

his store because of property damage will be extremely unfortunate. In purchasing the gross earnings form, the merchant must only disclose to the agent the amount of his annual gross earnings, that is the amount by which the total of his annual sales exceeds the cost of the merchandise sold. The merchant does not need to disclose separately the amount of net profit or the wages or taxes he pays, confidential data which the average merchant dislikes to reveal.

Mr. Klein also noted that the time element form known as insurance against loss of income for personal services is not available in New Jersey, perhaps because New Jersey agents are not aware of its existence of the coverage, which is obtainable elsewhere, and therefore have not created a demand for it.

ADJUSTMENTS

Mr. Jones said that while the 12 months limit that applied during the second war had been removed, there are some critical materials hard to obtain and in many instances skilled labor with which to repair or replace buildings is scarce. This may add to the length of time it normally would take to repair or replace the building or machinery.

In many cases, manufacturers have special machines which takes a considerable length of time to replace. In a loss in Baltimore there was a machine destroyed the damage to which amounted to \$2,000. By the time it was repaired the U. & O. loss was \$40,000. Agents and special agents should inspect the plant of insured to ascertain what if any bottlenecks are there.

In addition to lack of agents' knowledge of U. & O., which stands as the No. 1 deterrent to its sale, Mr. Jones suggested also the fear that the coverage is complicated. The U. & O. form is simple and explicit and the policy contract covers the ordinary simple principles of accountancy. It is adapted to an ordinary profit and loss statement, which represents a composite picture of the income and outgo of any business during a single year. The two forms, gross earnings and two-item, while different, cover the same thing. The two-item form divides the coverage on labor from the cover of fixed charges and net profits, the gross earning form is all inclusive and covers labor as well as profits and fixed expenses.

Covers Income, Outgo

Anyone running the simplest form of business, a restaurant or shoeshine parlor, has to keep an account of income and outgo, and that is all this policy intends to cover.

Mr. Jones thinks the remedies for lack of sale of U. & O. are discussions of this kind and the education of agents and special agents of the companies as well as of the public. Millions of dollars are invested in all kinds of business for the purpose of making a profit. It is the duty of agent and company to see that insured are properly covered by U. & O. The agent who fails to do so for any reason is guilty of wanton neglect of clients.

He recalled checking one set of policies written for five years where the agent had not approached insured since policies were put into effect. When the loss

occurred in the fifth year of the policy, insured's business had multiplied four or five times. He had insufficient insurance and was a serious coinsurer.

The weaknesses which the adjuster encounters when a loss occurs are mostly human weaknesses and are not due to the wording of the contract. The contract is self-sufficient, is flexible, and there is no reason why insured should not at any time collect all of his loss as it is strictly an indemnity contract and covers any loss of production which would be sold. Naturally it does not cover loss of good will or consequential or indirect loss.

He noted that the policy provides coverage for interruption by civil authority. A serious conflagration in the city or congested district may leave hazardous conditions, with toppling walls perhaps, and the city authorities may step in and close the business or rope it off till the hazards created by the loss are disposed of. The policy extends the coverage to two weeks, and this fact alone can be used by the agent in promoting U. & O. He said his organization had made out a number of losses even if only for a day or two interruption, which have run into large sums of money in the case of department stores and large mercantile establishments.

Should Use Experts Freely

He noted that the adjuster should feel free to use experts of all types in a serious loss, especially accountants, as in large manufacturing establishments the accounts may become quite involved and the time necessary to check them and set up a proper U. & O. statement would fully justify their employment. An adjuster cannot conclude a U. & O. loss unless the books and records have been fully checked and verified.

The proper time to make an adjustment is when the period of total shut down and percentage of loss and production can be estimated with a reasonable degree of accuracy, he said. Insured may prefer to wait until the repairs have been completed, and this may be satisfactory unless there are circumstances such as strikes or cancellation of contracts or leases that may tend to prolong the period of interruption.

He cited one loss in New Jersey in which the adjuster encountered every possible type of problem—underinsurance, application of coinsurance, expediting expense, helping insured resume business by getting a temporary location, and reducing loss by an interim operation. The loss involved a large furniture store where the U. & O. was \$500,000 on the gross earnings form. The loss occurred in June, 1947, and the main retail store was completely destroyed. This consisted of 100,000 square feet of floor space, the replacement cost of which amounted to approximately \$245,000 with only \$173,000 of insurance covering.

Other Facilities Used

At another location was a building which contained shipping platforms, racks and storage bins; the interior was unfinished and had the usual appearance of a warehouse. There was also a quonset hut, an open building with a concrete floor without heat, light or ventilating facilities. After making every effort to find a suitable place for insured to resume business, the adjusters decided to authorize overtime labor and extra expense in getting the buildings ready for insured to open up a salesroom, office, shipping and refinishing department.

Insured hired a crew of carpenters to rearrange the buildings and the furniture and equipment contained therein was removed. Insured worked around the clock on this procedure so that within about a week after the fire it had opened a small section of the showroom and was ready for business. The quonset hut was converted into a sales room and about half the warehouse was used as an office, refinishing department and furniture storage. Insured operated under these conditions until April 30, 1948, and in this time every effort was made

to restore the buildings destroyed.

At first the volume was not substantial and adjusters authorized insured to institute an advertising campaign in local papers and magazines notifying the public that it was open for business at the temporary locations. Insured also was authorized to place electric signs within an area of a few miles, indicating directions to the temporary location. Reproduction of insured's records and its customers were authorized.

Retained His Salesmen

Though it was difficult to do, insured managed to retain salesmen by guaranteeing salaries during the period of interruption. In the winter it became necessary to construct a boiler room and install a boiler to provide the hut with heating facilities. Insured ran into a jurisdictional strike, but finally managed to overcome the difficulty by substituting cinder blocks for concrete.

Insured's sales began to increase during the latter months of 1947 and at that point the producer suggested the possibility of closing the loss. Insured submitted a set of figures from that date up to and including Jan. 1931, which indicated a loss of gross profit of \$349,000 to which was added some \$55,000. Insured projected these figures for a year and claimed a loss of \$722,000 on a value of \$973,000. Expediting expenses were added.

Figures up to the first of January, approximately 6 1/4 months, indicated a loss to accountants of approximately \$240,000, excluding expediting expense. Insured contended they would be out of operation for a period of 14 or 15 months. Adjusters contended the building could be replaced in seven or eight months, and after a good deal of discussion, it was finally agreed that the original buildings and contents could be replaced within the period of 10 1/4 months, which would bring the period of interruption up to April 30, 1948.

A full report was forwarded to the companies under date of April 8, and

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immediately thereafter adjusters found insured could occupy a small section of the new building by the first of May, 1948. They were anxious to get into the new location because the building was located on the main highway and this move would make available the quonset hut for storage and the refinishing department.

In the meantime, accountants had audited figures up to the end of this period, and though the insured contended that they would be out of business for 15 months, they finally agreed to accept the period of interruption of 10 1/4 months. Sales at the temporary location were about \$853,000. The cost of these were approximately \$461,000 and with the addition of other income, the actual gross profit during the interim operation was \$329,667, producing a potential loss of \$579,595. The normal expenses which were discontinued during the period of interruption were \$65,305, resulting in a net loss of gross profit of \$514,289 based upon a value of \$1,064,503. Insurance required was \$851,602.81 and the collectible loss under insurance carried of \$500,000 was \$301,953, with the result that insured became a co-insurer to the extent of \$212,335. The expediting expenses which were added amounted to \$66,747 and covered every conceivable expediting expense in reconditioning the temporary buildings, extra telephone, extra advertising expense, and extra heating and lighting facilities. By the expenditure of this money a considerable potential loss was saved by insured and insurers. In addition, insured was able to retain the good-will of his customers by reopening for business shortly after the fire occurred.

Conference Directory Mailed

The 1952-53 edition of H. & A. Underwriters Conference directory has been distributed to member companies.

The directory includes the listing of conference member companies, officers and executive staff members, as well as an outline of the various activities and services of the conference, types of coverage written and states in which members are licensed to operate, company membership by states, new committee personnel and a brief summary of committee functions, the constitution and by-laws and a calendar for the year.

Total membership of the conference is 184 company members and 10 associate members. A break-down by company reveals that 108 members are life companies, 39 A. & H. only companies, 19 stock casualty companies, 14 mutual casualty companies, 3 fraternal and 1 reciprocal.

Scans the Federal Covers

WASHINGTON—The U. S. Chamber of Commerce board of directors will be asked next month to approve the report of a study of federal government insurance operations which has been prepared by Charles Houston, assistant manager of the chamber's insurance de-

A.M.A. Insurance Section Program Is Completed

The program has now been completed for the gathering of the insurance section of American Management Association at the Drake Hotel, Chicago, Nov. 13-14. Chairman is Paul H. Schindler of Youngstown Sheet & Tube, who is A.M.A. vice-president in charge of the insurance division.

As usual, President Lawrence A. Appley of A.M.A. will open the conference. William K. Ousley, vice-president of Boston Manufacturers Mutual Fire, will talk on "Loss Prevention as a Factor in Insurance Cost," and John F. Boehner, regional supervisor for Chicago metropolitan area of Western Adjustment, will speak on "Appraisal Technique for Determining Insurable Values."

That afternoon there will be a panel discussion of "Where and How to Buy Excess Insurance," the chairman being Raymond Cox, insurance manager of Arabian American Oil Co. Each of the four men on the panel will give a short talk, and then they will take up individual questions that are addressed to them. The panelists are George E. Rogers, Robert Gair Co., Inc., New York; Ben D. Cooke, director of B. D. Cooke & Co. of London; Robert L. Braddock, executive vice-president of General Reinsurance, and Herbert P.

partment. The report will deal with federal crop insurance, OASI, veterans insurance, marine war risk and other government programs.

Says SS Going in Hole

At the present rate, the country will have millions more persons eligible for social security benefits by 1980, and not enough money to pay them, Edward H. O'Connor, managing director of Insurance Economics Society, told a joint meeting of Richmond Assn. of A. & H. Underwriters and Richmond Life Underwriters Assn.

"Social security is not insurance, by any stretch of the imagination," he said. "Rather social security is a deception, whereby the government levies a tax insufficient to provide for the benefits which it inevitably will be called upon to pay. Social security taxes provide immense sums that the government uses in ways not remotely connected with social security."

Industrial Indemnity, San Francisco, has applied to the California department for a permit to sell 1,000 shares of its \$15 par value stock to five of its employees at \$47.50 per share.

Insurance Women of Corpus Christi, Tex., at the October luncheon played host to their bosses.

Stellwagen, executive vice-president of Indemnity of North America.

Next morning with A. R. Dahms of A. O. Smith Corp., Milwaukee, as chairman, there will be a talk on "Accounts Receivable and Destruction of Records Insurance" by Urban M. Lelli, secretary of Phoenix of Hartford at Chicago, and Edward R. Seese, regional manager of Metropolitan Life, will give a paper on "Continuation of Employee Insurance After Retirement."

Alfred M. Best, president of the insurance publishing company bearing his name, is scheduled to address a luncheon meeting on "Rating the Financial Structure of Insurance Companies." At the final session that afternoon the topic is "Dangers to Business in Contractual and Assumed Liability" with Gene Mayfield, attorney of Pet Milk Company of St. Louis, as chairman.

Clarence B. Conklin of the Chicago law firm of Heineke & Conklin, will take up the implications of contractually assumed liability; John M. Breen, third vice-president of Lumbermen's Mutual Casualty, will speak on special problems of leases and sidetrack agreements, and Edmund T. Sinott, vice-president of C. R. Black, Jr. Corp. of New York, on insurance covering contractually assumed liability.

F. E. Jones Makes Plea

CINCINNATI—Urging agents to support their state association with more of their time and some money, F. E. Jones, president of Buckeye Union Casualty, said Ohio Assn. of Insurance Agents could be three times more powerful in furthering agency interests if more agents supported the group. The association should have 6,000 members instead of 1,650, he said.

Mr. Jones spoke to agents representing Buckeye Union and their office personnel at the dinner following an afternoon educational conference. The conference was piloted by S. W. Schellenger, agency superintendent, assisted by H. L. Andrews, D. R. Haverick, H. T. Weaver, and T. F. Smith, assistant secretaries of Buckeye Union Casualty, and J. A. Dodd, executive secretary of Buckeye Union Fire.

Mr. Jones said 80% of the casualty company business is automobile, and the record for seven months is good. He credited this to the fact that 90% of the claims are handled by home office personnel.

Frazier Goes with Agency

Charles B. Frazier, for 11 years with Aetna Fire, the last six years in Kansas as special agent at Topeka, has resigned to go with the Straley-Dembicki agency, Topeka. He is a former president of Kansas Fire Prevention Assn.

General Gets Wash. Auto Line

General Casualty has been awarded the Washington state automobile BI-PD coverage for a one-year term. Its quotation on a 10/20/5 limits basis was: Passenger cars, \$29.45; trucks and commercial, \$41.03; school buses, \$27.68; motorcycles, \$25.01; power equipment, \$6.61; trailers, \$5.70.

Add to Cal. Program

Added to the program for the convention of California Assn. of Insurance Agents, Nov. 17-19, at San Francisco, are Lorin A. Torrey, tax specialist, with Ernst & Ernst of San Francisco, and Walter Sheldon, president of N.A.I.A.

Mrs. Goldia H. Davis of the licensing division of California department at Los Angeles was guest of honor at a reception given by her associates on the eve

of her retirement after 20 years with the insurance department.

Article Tells Importance of Adequate Fire Coverage

The importance of maintaining enough fire insurance to cover adequately the increasing value of a home was pointed out in an article entitled "If You Have a Fire, Will You Collect Enough?" by Richard L. Frey in the October issue of Good Housekeeping magazine.

Mr. Frey illustrates his point with the case of a home-owner whose house burned down while he held an old policy which had not been revised to cover the actual value of the house built 25 years ago.

There are millions of similar cases in the United States, Mr. Frey claims, with millions of insurance policies, good enough as policies go, but not big enough to go far these days. He adds that some were too small the day they were drawn, while others although satisfactory at the time, have fallen dangerously behind rising values and building costs.

To Determine Coverage

To determine the amount of insurance needed, Mr. Frey suggests that the home owner determine the current market value of his home. A formal appraisal which will ignore the value of the lot and house foundation, since neither are covered by fire insurance, will guide the home owner to the correct amount of fire coverage he will need, said the author. According to Mr. Frey, the most accurate kind of appraisal is a builder's estimate of the cost of rebuilding the home, minus a reasonable allowance for depreciation, which is the difference between the value of the present home and a new one just like it.

The article concludes that regardless of how much the home is insured for, the owner cannot collect more than the actual value at the time of the fire of what was destroyed or damaged, since that value can change from week to week.

Klamath County Agents Elect

Kit Johnson, Klamath Falls, has been elected president of Klamath County (Ore.) Assn. of Insurance Agents. Hans Norland is vice-president and A. E. Dye, secretary.

NEWS BRIEFS

The Leo B. Dowd agency, Nashua, N. H., is erecting a new building made necessary by its expanding business.

F. S. Kime has bought the Wm. Schutz agency at San Antonio and will continue the old name.

Ralph T. Wisely, assistant manager of Metropolitan Life at Flint, Mich., for 18 years, has purchased the agency there of the late Stuart W. Edgar.

Andrew Bain, special agent of North America, Indianapolis, discussed insurance coverage for building contractors at a meeting of Lafayette (Ind.) Assn. of Insurance Women.

Insurance Women of Seattle will hold their bosses night Nov. 13. A sub-regional meeting will be held at Tacoma Oct 31-Nov 2.

The James S. Webb Agency at Springfield, O., has been sold to T. L. Montgomery.

Paul Graham has purchased the Don C. Dougan, Jr., ins. agency at Hamburg, Ia.

The Lyle Riddle agency, Anacortes, Wash., has been purchased by Scott O. Richards, formerly with the state department of labor and later with Stuart G. Thompson-Elwell Co. and the Robert J. Handy agency of Seattle.

Barnard Insurers, local agency, has been formed as a division of Barnard Corp., Green Bay Wis., realtors. Peter A. Barnard, a graduate of Marquette and Jerry Handley, who operated an agency in Springfield, Mo., are associated in the management of the new agency. The insurance business of Barnard Corp. was formerly handled by General Insurance Agency, an affiliate.

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S. C. Agents Give Support to N.A.I.A. Commissions Unit

H. P. Glover Elected President at Annual Meeting at Pinehurst

South Carolina Assn. of Insurance Agents at its annual meeting at Pinehurst adopted a resolution endorsing the work of the N.A.I.A. committee on commissions, providing only that the committee be not empowered or encouraged to negotiate with companies for any changes in contracts, which right remains the prerogative of the agents. This is the first action by a state association supporting the N.A.I.A. commission group, and follows repudiation of that committee by three states.

Hayne P. Glover, Greenville, was elected president succeeding Bernard J. Olasov, Charleston, who becomes state director. L. D. Magrath, Conway, is vice-president, and Fred Swaffield was elected secretary-treasurer. H. Pierce North was renamed manager. New members of the executive committee are James DeLoache, Jr., Florence, S. C.; Jennings F. Neely, Rock Hill; C. A. Smith, Jr., Greenwood; Charles B. Thompson, Anderson; B. C. Lankford, Spartanburg; John D. Carter, Beaufort; W. L. Thompson, Hartsville; E. L. Wingfield, Columbia, and Robert Palmer, Sumter.

The convention program opened with remarks by J. Roy Jones, commissioner of the state department of agriculture, and Mrs. Edward L. Hirst, regional director of National Assn. of Insurance Women.

Murphy Announces Rate Increase

Commissioner D. D. Murphy of South Carolina made an unscheduled appearance to announce that he had granted a substantial increase in automobile B.I. and P.D.L. rates effective Oct. 20. He said this approval was granted only after careful investigation by the department, which indicated that the increase was justified if the markets for automobile business were to be preserved and the companies to break even in their South Carolina operations.

That afternoon the agents had a business session and heard reports of their officers. This was the meeting at which the new officers were elected.

The following morning the program was opened with a talk by Arthur M. O'Connell, Cincinnati, past-president of the Ohio association, who deplored the tendency by agents to apologize for rate increases on automobile insurance rather than explaining their need. Pointing out that the safety record of today is almost miraculously improved over that of 15 years ago, Mr. O'Connell said that insurance rate increases are due almost entirely to inflation processes and there is little hope of a reduction until the general economic situation returns to its former level.

Hear Inspirational Talk

Ralph W. Carney, vice-president of Coleman Stove Co., gave an inspirational talk on "Selling to Defend America."

The second afternoon was devoted mostly to a discussion of automobile problems. Charles A. Sanford, secretary of North America, discussed "Auto-

(CONTINUED FROM PAGE 30)

N.A.I.C. HEARING AT BOSTON

Insurers To Study Idea of Covering Driver, Not Auto

BOSTON — Committees representing the major segments of the business agreed to study the broad principles involved in the proposal to insure automobile drivers instead of automobiles and prepare a report, following an all day hearing here of the commissioners' subcommittee looking into the matter. Industry representatives indicated they might be able to prepare such a report in time for next June's meeting of N.A.I.C.

Once the principles involved in the driver insurance proposal are laid down, company representatives then could tackle the production of a classification plan, determine what rates would need to be charged and other details, providing that after the general study the proposal is thought to have enough merit to continue with it, the commissioners indicated.

To Get Thorough Study

The business assured the commissioners of its desire to cooperate, and Commissioner Knowlton of New Hampshire, whose proposal it is, indicated that the plan may, on close scrutiny by insurers and bureau people, be found unworkable. However, he would like to see it thoroughly examined.

Commissioner Mahoney of Maine, the subcommittee chairman, presided at the hearing, which was attended by the other two members, Coppage of Maryland and Sheldon of New Hampshire. The latter has spent much time in the last ten years evolving the scheme. Other departmental people on hand included Collins of New York, Gates of Maryland, Whitten of Maine and Sullivan of Massachusetts.

The Mutual Rating Bureau and National Bureau of Casualty Underwriters already had appointed committees before the hearing, and they will act for those bureaus. Lumbermen's Mutual Casualty, Eldon Day; Merchants Mutual Casualty, Norris Scheib; Liberty Mutual, C. S. Lancaster, and American Mutual Liability, Walter Ahern, constitute the mutual committee. The National Bureau group is composed of Maryland Casualty, James Bugbee, Royal-Liverpool, R. G. Callan, and Travelers, Alan Goodale. Also on hand were Richard Murray of Employers Liability; A. L. Spottke of Allstate, William Brewster of National Bureau; Joseph Muir of the mutual bureau; Merlin J. Ladd, Boston broker and member of the governing committee of National Assn. of Insurance Brokers; John F. Neville, executive secretary National Assn. of Insurance Agents; Archie Slawsky, Nashua, president New Hampshire Assn. of Insurance Agents, and George Williamson of Merchants Mutual Casualty. Lloyd Greer, executive secretary of the New Hampshire association, acted as secretary.

Incentive for Safe Driving

Mr. Knowlton summarized the driver insurance proposal. If the business finds merit in it he would like to see it substituted for the present system of covering and rating the automobile. He admitted it could not be tried piecemeal. In essence, it provides bodily injury and property damage liability coverage on the operator. Mr. Knowlton and Mr. Sheldon think the system would more equitably distribute the cost of auto insurance and by putting the burden on the driver where they believe it belongs provide a real incentive for individual safe driving.

Though obviously the business is not enthusiastic about the proposal, espe-

cially in these troubled times, its representatives at the hearing indicated a sincere willingness to study it in detail and make a point by point comparison between the coverage it would afford and that presently in effect.

Mr. Knowlton said he was not yet ready to decide if the plan is good or bad, insurance wise. That will require the closer examination it is now to get. Both Mr. Muir and Mr. Day emphasized that insuring the drivers has been tried in the past with mediocre results. The business for some years now has followed the other road. Certainly, Mr. Day said, there should be no loss of coverage. A backlog of court decisions has been built on the present cover; perhaps the value of these cases can be retained, Mr. Muir said.

Would Change Rates

He added it has been suggested that the per driver rate will be reduced over the present per car rate. There are approximately one-third more licenses in New Hampshire than car year exposures, indicating that the business might have to charge each driver at least 75% of the present rate. Mr. Spottke said on that base with two drivers a family's auto insurance would cost 150% of what it does now. The only one who would save is the single operator who belongs to a family group and these would be in the minority. Mr. Sheldon doesn't think the cost would be as high as 75%.

Mr. Knowlton indicated that he originally thought the plan did not need to be compulsory and Mr. Sheldon did; he has been swinging to Mr. Sheldon's view. It would make unnecessary such things as unsatisfied judgment funds, he said. Mr. Goodale wondered if compulsory is any better on the operator plan than on the car basis.

Mr. Sheldon said there is no careful driving incentive on the car base. Mr. Gates thought this was the big objective of the plan but wondered if this is not attained on the present system by the New York demerit rating plan.

Mr. Sheldon thinks that under his plan insurers could write risks now going into assigned risk. It is becoming of the utmost importance that auto drivers get insurance. Auto coverage has become even more social than workmen's compensation. It is much easier to tell the driver that he can't have insurance because of his driving record than for some other reason. The plan has a lot of appeal to the public in New Hampshire. He said he was glad he could tell legislators in his state next session that the business is studying the idea, otherwise would be difficult to avoid legislative pressure for some such legislation. It answers the perennial criticism of insured, "Why not raise the rates on the driver who has the accidents?"

He said that under the plan companies could issue certificates. Mr. Spottke noted that with the use of these about all the insurer saves is paper.

Owner's Policy Excess

Under the plan the owner's policy would be excess over the operator's. Mr. Spottke thought this would have to be spelled out in the contract, otherwise circumstances might alter cases and the matter of which is excess could not be left to claim men to decide.

There would have to be some changes in state laws, it was pointed out, at least in those touching on the family doctrine.

Mr. Ladd wanted to know, if the plan is compulsory, who would make the rates? Brokers are interested in the

(CONTINUED ON PAGE 20)

Sales Angle Stressed at Annual Meeting of Colorado Agents

Thurston H. Jenkins Elect President to Succeed Fred W. Noe

Colorado Insurers Assn. at its meeting at Colorado Springs concentrated strongly on "Selling" in a tightly-packed two-day program attended by 350 members and guests.

Star of the convention was Roy Duffus of Rochester, who talked steadily at 300 words a minute through three lengthy sessions on "How to be a Better Agent."

Other selling features were presented by Perrin C. Cothran, vice-president Phoenix of Hartford, "Selling the Account;" Allen I. Pither, Pacific Coast manager of American Foreign Insurance Assn., "How to Handle Foreign Insurance;" Peter J. Walsh, Van Schaack & Co., Denver, "Changes in the Public Liability Manual;" Louie Woodbury, N.A.I.A. executive committee member, Wilmington, N. C., "Salesmanship," and a panel conducted by L. Allen Beck, Denver, on "Building with a Survey."

Panel Composed of C.P.C.U.s

Panel members, all Denver C.P.C.U.s, included Walker A. Garrott, agent; Howard Hutson, agent; C. Neil Macdonald, Travelers; F. J. Morgan, Aetna Casualty; W. Rex Kerr, Wilson-Creech agency; J. H. Silversmith, Jr., Reichart-Silversmith agency; Gerald M. Shea, attorney, and Harold R. Woodworth, North America.

A team from North America presented an excellent picture of the new multiple peril homeowners policies which will be offered in Colorado effective Oct. 31, the second state in which the coverage will be written.

Thurston H. Jenkins of the Jenkins-Moore agency, Denver, was named as the new president, effective Jan. 1. He succeeds Fred W. Noe of Greeley. Matt N. Due of Grand Junction, who has been a director, was elected vice-president. Colorado officers are not elected directly by members, but by the directors.

Resolutions adopted included one commending Commissioner Kavanaugh, who indicated at the meeting that he would favor new agents' qualification legislation in Colorado. Another resolution asked all members and boards of the Colorado Insurers to cooperate to the fullest extent in promoting public safety programs.

Sell Higher Automobile Rates

Mr. Duffus in his talks emphasized the importance of selling customers on the necessity for higher automobile rates. There is no need to apologize for increased rates, he declared. The agent must point out that assured actually are paying less for this coverage than they did 20 years ago, in terms of the purchasing power of the dollar today.

Agents can make class 3 risks feel good by telling them that the rate is so much "until you are 25, and then it will go down."

If agents believe rates are too high, Mr. Duffus continued, they must get police departments to put on continuing safety campaigns, and make them stick.

He struck out at direct-writing companies which skim off the cream of the

(CONTINUED ON PAGE 31)

Safety Experts Confuse Public, Jackson Claims

Need Safety Officials Agreed in Practice As Well As Preaching

The professional traffic safety leaders are responsible for public bewilderment and confusion about how to reduce increasing highway accident tolls, Harold P. Jackson, president of Bankers Indemnity and chairman of the committee on safety organization of the President's Highway Safety Conference, said at the National Safety Congress, held at Chicago this week.

"The public is not apathetic," Mr. Jackson declared, "the great civic and service organizations are not disinterested. They are bewildered and confused, they are groping for concrete answers — and the professionals in traffic safety have created that bewilderment and confusion out of a crisscross of do's and don'ts, out of a morass of indecision, and out of jealousies and bickerings which have obscured the objective of saving human lives."

No Reduction in Deaths

Answering the question, "Is the Public Interested in Traffic Safety?" Mr. Jackson said he appeared in defense of the people and laid at the door of the assembled professional safety leaders of the nation responsibility for the fact that "we have made no significant, permanent reduction in traffic deaths and injuries on our streets and highways." "Moreover," he said, "there appears to be no immediate prospect for improvement. The inventive genius that fashioned the machine and the highway, the merchandising genius which markets everything from chlorophyll dog food to glass tack hammers, have yet to sell safety as an essential in the use of 52,000,000 vehicles on 3,322,000 miles of highway."

Confusing Solutions

Mr. Jackson then told the congress that when the public turns to the official and professional leaders for the knowledge necessary to translate highway safety into terms applicable to their own community, it is offered a great variety of solutions — all guaranteed as a highway safety cure-all.

"The net result," he said, "no program at all."

"Hopelessly befuddled, the individuals and organizations who make up the public enter a state of coma which I call safety stagnation." Nevertheless, he asserted, the public is interested in traffic safety "both from the bottom of the heart and the bottom of the pocket-book."

Public Interest Growing

Public interest in traffic safety is present today in ever-growing volume, he continued. "You may call it stymied from safety stagnation, or crippled by constant confusion, but it still needs only the right push to get it going. Public interest will not achieve maximum velocity overnight — it has gone down too many dead-end streets. It will require evidence of professional safety organizations working unselfishly toward a common end. It will require safety officials agreed in practice as well as in preaching. It will require clearly defined statements of immediate objectives and clearly defined step-by-step programs for the realization of those objectives."

Mr. Jackson concluded: "Properly

ANOMALY DEVELOPS

Study Quandary of Nat'l Bureau and New Home Policies

National Bureau of Casualty Underwriters held a meeting Oct. 15 to consider the impact of the rating of multiple peril policies upon the bureau's normal activities. It had been suggested that consideration be given to the extension of the bureau's jurisdiction to include non-casualty lines of insurance in order to permit the bureau to deal with multiple peril policies for householders.

This suggestion has not been advanced in the form of a recommendation but was designed primarily to focus attention upon the anomalous situation that has developed in this field of rating. Following a discussion of the various aspects of the problem, a motion was adopted directing a committee to give further consideration to the subject of multiple peril rating, with authority to confer with other rating organizations, this committee to make a report to the executive committee by the end of this year.

Dorsett Talk Approved

The St. Paul Dispatch in an editorial commented favorably on a talk before Insurance Federation of Minnesota by J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies, who emphasized that "only realization by the individual juror that he is spending his own money, not the money of insurance companies, will prevent excessive awards."

The Dispatch says that while persons suffering injury or property damage from an automobile accident certainly are entitled to seek recompense, "it is equally true that when awards are above a fair and reasonable amount the buyers of liability insurance must in the end pay the money through higher premiums."

Hear Survey Analysis Talks

Insurance Board of Columbus, O., at its meeting Nov. 6 will be addressed by John R. Jacob and Robert T. Corrigan of Canton on "Survey Analysis."

guided by inspired leadership, with a well defined program, we have the greatest power for public good in the history of our nation. But we are still searching for the fuse that ignites the powder."

Driver Education Proposal

In a joint statement of objectives and policy by the Center for Safety Education at New York University and the accident prevention department of the Association of Casualty & Surety Companies a proposal to revitalize driver education throughout the nation was advanced at a breakfast session for educators interested in driver education.

Thomas N. Boate, manager of the association's accident prevention department, was chairman of the breakfast meeting, which is an annual feature of the National Safety Congress. The joint policy statement was announced by Price Clark, association educational director. Dr. Herbert J. Stack, director of the Center for Safety Education, reported on results of its adult driver education program, and Paul H. Blaisdell, the association's public safety director, reviewed its national driver education award program.

Among the extensive exhibits at the safety congress were those of the Aetna Life companies, Metropolitan Life and Marsh & McLennan.

Aetna Life had a booth featuring the Roadometer, among other things, that was in charge of P. B. Cullen, superintendent of public education, assisted by Robert W. Mullins of that department and Don Vaughan, manager of the engineering and inspection department.

Finance Company Insured Is Problem Under FR Law

"Countless" Connecticut motorists, called to account under the financial responsibility law, think they have the required insurance when all they have is direct damage cover issued by finance companies, according to Charles F. Kelley, Connecticut motor vehicle commissioner, who addressed the convention of Connecticut Assn. of Insurance Agents. Such motorists are indignant, the speaker said, and vent their spleen on the state authorities rather than getting mad at the finance companies. Such occurrences are far too common and he asked the agents to help in straightening out the situation.

The insurance companies, he said, must join in accepting their full share of responsibility for covering eligible drivers. Too many companies are avoiding properly certified, licensed drivers, he charged. "This," he said, is "outwardly understandable in view of the widely publicized — and sometimes almost fantastic — financial awards granted claimants in recent court cases. But there is another — and, to my mind, quite sinister — side to this question of whether insurance companies will accept this type of insurance business."

Those engaged in the enforcement of motor vehicle laws should take an ever-stronger stand in determining who should or should not be allowed to drive automobiles, but he said the insurance companies also must accept and assume their full share of responsibility for providing adequate coverage and to take as risks those persons morally and properly qualified as drivers.

"Day after day," he said, "we get accident reports from countless drivers who tell us that they are insured. When we point out to them that their insurance is only the kind issued by finance companies to cover damages only to their own cars, they are completely surprised and often indignant citizens. But they get mad at us instead of at the finance companies, charging that we are refusing to accept their insurance coverage. And our evaluators must spend considerable time explaining the differences in liability insurance and their so-called \$50-deductible insurance."

"That is where, I believe, you insurance agents can help your clients and help us — besides helping yourselves to some additional business — by explaining the differences in these two kinds of insurance to your clients."

"Also, you could help both your clients and our department immeasurably if you were to help your clients make out their accident reports before they send them in to our department. We receive many accident reports that are seriously incomplete. Some drivers forget to sign their names or to have their reports notarized, others fail to fill in the part about financial responsibility and some neglect to put in the date of the accident or the name of the community in which it occurred."

Ask Attorney General

Mr. Kelley said the attorney general is being asked to rule on the question of whether a person can by insurance or otherwise, protect himself against all provisions of this act. The answer seems to be that he cannot do so. The Connecticut law provides no limit on the amount a person may be sued for in regard to injury or death and the FR law provides that the commissioner, on receipt of a certified copy of a judgment shall suspend license and registration until "such judgment is stayed, satisfied or discharged in full." In other states it is specified that an insurance policy with limits specified shall suffice.

The attorney general was also being asked for an opinion on how the law affects farm vehicles. Pending receipt of an opinion an unregistered agricultural tractor which is loosely defined in the statutes will be exempt from the law. However, the operator or owner of a

farm vehicle registered under farm markers must comply with all requirements of the law.

The limits that are required under the Connecticut law are 20/20 BI and PD. Mr. Kelley urged the agents immediately to inform their clients about this requirement. Many drivers who have run afoul of the law have indignantly informed the state authorities that they had plenty of liability insurance, carrying \$10,000 which they regarded as more than sufficient.

Wis. Judge Tags FR Law As Unconstitutional

Branding portions of the Wisconsin automobile financial responsibility act as unconstitutional, District Judge Barry of Milwaukee acquitted a motorist on a charge of failure to return his driver's license after it was suspended by the motor vehicle department. It seems certain that the case will be appealed to the state supreme court, by the attorney general. The motorist's license in this case was ordered suspended after his car struck a pedestrian. Medical expenses of the injured person were estimated at about \$800, and the motor vehicle department demanded that this motorist provide proof of financial responsibility by posting \$800 or a bond. When he refused his license was suspended.

Judge Barry said this is a proceeding under which a prospective defendant must put up surety in advance of a suit for damages. This, he declared, is much like a writ of attachment and gives to an administrative officer the right to decide a strictly judicial matter. This, he said, does not provide for any hearing in advance and does not afford the defendant an opportunity for review. It opens up a field for petty blackmail, he charged, on the part of parties who have no just cause of action to demand payment for releases so that the prospective defendant may not be sued. He expressed the belief that the law "unfairly favors private insurance corporations in that it seeks to compel individuals who make it a practice to comply with all the rules of the road to purchase liability insurance for which they expect to have no need."

"Our own experience indicates strongly that this legislation is against public interest and not conducive to the public welfare," he said.

Ohio Farm Bureau Goes Up With Auto Rates in N. Y.

Farm Bureau Mutual Automobile of Columbus has now increased its New York state auto liability and PDL rates. Exceptional interest centered on what Farm Bureau was doing because it is a highly competitive organization in New York state, and because at the time when the National Bureau rates were increased there was a publicity bobble resulting in an erroneous news release that Farm Bureau had no intention of increasing its rates. Later the company had to get out a statement saying that it was sharing the industry's problem in respect of automobile experience and that its rates would be increased.

On class 2 risks, Farm Bureau is making no competitive bid whatsoever. Its rates are the same as those of National Bureau. The class 1 and 3 rates are increased an average of 22.1% and in Manhattan, Brooklyn and the Bronx these rates are 10% off bureau. In Queens, suburban Schenectady, Elmira, Rochester, Utica, Binghamton, Canandaigua, Geneva and surrounding areas, Troy and rural areas of the central counties Farm Bureau is 15% below bureau, and in remainder of state the differential is 20%.

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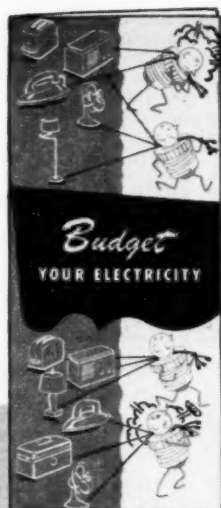
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IF FIRE Strikes...

There are a few simple rules that may sometimes help save your life, or the life of someone you know. If fire strikes, study these instructions carefully. They are the same as those in your family home.

1. Remember: panic—don't run—don't shout—don't scream. Most people killed in fires could have saved their own lives if they had not become panic-stricken.
2. Call the fire department immediately. Even a few seconds delay might cost someone's life.
3. If fire traps you, and you are trying to escape, just shut the door before opening it.
4. If fire is in a room, close the door and stay in the room. If it is in a room, close the door and stay in the room. If it is in a room, close the door and stay in the room.
5. If you have to leave your way out of a smoke-filled room, or building, remember the first rule: don't panic. If you must leave through a door or window, hold your breath.
6. If you must leave your way out of a smoke-filled room, or building, remember the first rule: don't panic. If you must leave through a door or window, hold your breath.
7. If you must leave your way out of a smoke-filled room, or building, remember the first rule: don't panic. If you must leave through a door or window, hold your breath.

While I Am In Charge...

MY DUTIES AS GUARDIAN OF THIS PROPERTY

doctor—call
fire—call
police—call
insurance—call
the number for

KNOW YOUR FIRE EXTINGUISHERS?

Here are seven common types of fire extinguishers. Can you identify the kinds of fires they are designed to fight?

SAFETY CANS FOR FLAMMABLE LIQUIDS

YOU MUST HAVE A TRIFLE OF AN AERONAUT TO WORK IN YOUR PLANT

FIRE prevention WEEK

Since its birth 200 years ago, the mutual insurance industry has pioneered in loss prevention. The challenge to the appalling rise in the national fire loss receives national recognition when the nation commemorates Fire Prevention Week.

Fire prevention is a year 'round program for American Manufacturers Mutual representatives . . . last year they distributed over half a million pieces of literature. This year they will surpass all previous efforts through speeches, radio announcements, movies, newspaper ads, direct mail campaigns and the distribution of an assortment of 32 different pieces of literature.

**AMERICAN MANUFACTURERS
MUTUAL INSURANCE COMPANY**

(Formerly National Retailers Mutual Insurance Company, operating under charter granted March 29, 1837)
James S. Kemper, chairman and president
EXECUTIVE OFFICES • KEMPER INSURANCE BUILDING • CHICAGO 6



Hartford Boiler Wins Apportionment Case in Vermont

Hartford Steam Boiler was awarded a verdict by Vermont supreme court in a dispute with Vermont Mutual Fire on apportionment of a loss caused July 6, 1947, when a bolt of lightning demolished a lightning arrestor and entered a General Electric generator belonging to the village of Enosburg Falls, Vt. Hartford Steam Boiler had a machinery policy involved in the amount of \$75,000, while Vermont Mutual had \$15,000 fire insurance on the property.

Issue Is Delineated

If it could be established that the Hartford Steam Boiler Policy constituted "other fire insurance under the property covered" the loss would be apportioned 75/90 to Hartford Steam Boiler and 15/90 to Vermont Mutual. However, the court did not agree with this. The opinion states that it happens accidentally that in this particular case both policies did cover a portion of the same resulting damage, but both did not cover the entire loss. Hartford Steam Boiler's coverage is much more extensive. The policy did not cover the same risk. On this loss Hartford is liable for \$2,196 in addition to the

loss covered by both policies. The Hartford contract narrowly limits the loss by fire to within the object resulting from accident and insures against many kinds of damage other than fire. It afforded insurance of a specified, particular, definite and restricted kind. It was not a general fire insurance policy as to the generator. The fire was not the proximate cause of the damage to the object. The accidental burning out was caused by lightning. Fire ensued and because of that Vermont Mutual became liable and Hartford became liable because of the accident. Damage by fire in the Hartford policy was only incidental to the main coverage. Hence the court held Hartford Steam Boiler and Vermont Mutual are liable for the stipulated joint loss of \$14,439 on a 50-50 basis. The case is Incorporated Village of Enosburg vs. Hartford Steam Boiler et al, 7 CCH (Fire & Casualty) 936.

Shades of Carl Hansen

A hearing has been scheduled for Dec. 18 in the court of chancery at Wilmington, Del., on the final report of the receivers of International Reinsurance. The report shows that a total of 17,524 claims have been allowed for \$11,182,650 and that there were filed a total of 31,358 claims for \$11,281,600. The receivers have funds available totaling \$867,749. The receivers are Arthur G. Logan and William D. Denney.

Continental Writes Travel Accident on Campaigning Units

Travel accident insurance for members of both the Eisenhower and Stevenson campaign groups is carried in Continental Casualty under its short term travel accident policy which is written for periods of from three days to six months. The Democratic and Republican coverages differ slightly in detail and amount, but are otherwise highly similar.

Protection for the Democratic group provides 24-hour death and dismemberment coverage. On the Eisenhower-Nixon party death and dismemberment is provided while on official campaign trips or tours. In addition, coverage on the Republicans includes permanent total disability coverage and medical reimbursement. For both parties the coverage is provided while the individual is traveling in or on any commercial carrier, including passenger travel on any regular, official or chartered flight by a scheduled U. S. airline.

The insurance on the Democrats was issued to become effective Sept. 18 and to remain in force until 6 a.m. Nov. 5. Among those covered are Governor Stevenson, Senator Sparkman, Wilson Wyatt, William McCormick Blair, and 31 other persons of the Stevenson for President campaign.

The Republican policy was effective Aug. 14 until approximately Dec. 1. Individual members of the Committee for Eisenhower-Nixon are covered while traveling on official business. Among the insured members of the committee are Governors Dewey of New York, Adams of New Hampshire and Peterson of Nebraska; John Foster Dulles; Mrs. Clare Booth Luce; Harold Stassen, and a number of motion picture entertainers.

American Auto Offers Safety Kit to Agents

American Automobile is offering to all agents and brokers, whether or not they represent the company, a safety kit offering suggestions for automobile safety, especially as regards young drivers. This includes reprints of some of the current advertising of American Auto that stresses the need for safety on the part of young drivers; posters for the agency office windows and walls; mats for newspaper ads; direct mail folders, suggested policy announcements, and policy inserts.

The kit, by showing samples of what is available to the agent, offers him the opportunity to pursue any one or several of the proposals. The newspaper advertising mats provide, for example, a copy of the ad, "The Necklace That Ended With Pearl Sixteen," with a space for the agent or broker to insert his imprint. There is no mention made of American Auto.

The kit was gotten up by E. Rhea Hurd, Jr., advertising manager of American Automobile.

Quiz Legislative Candidates

Dwight Teas was reelected president of Wisconsin Rapids Assn. of Insurance Agents at the annual luncheon meeting. Also reelected were Jack Fritzinger, vice-president, and David Markworth, secretary. Republican and Democratic candidates for the legislature were questioned on their view of the insurance business

and the part government should play in that field. Each candidate was given 10 minutes to answer five standard questions covering his position on agency licensing requirements, state fund coverage, compulsory auto insurance, the tax advantage of co-ops and mutuals, and vendors' rights to designate the placement of insurance protection.

Election Bottles Up Rate Action in Illinois

As the weeks go on, Illinois stands out as a noteworthy laggard in acting on the automobile rate increase matter in the current round. The theory on the street is that this is something that is being put off as if by common consent, in deference to the fact that Illinois' governor is the Democratic presidential nominee and that the automobile insurance rate question should not be permitted to get tangled up in national politics. The insurance people are naturally hopeful that very shortly after the election they will be granted relief in Illinois from the oppressive automobile insurance experience and there is also hope for early action, perhaps by Dec. 1, on workmen's compensation rate increase. There has not been an increase in the compensation rates in Illinois for two years.

Public National Enters Ill.

Public National of Miami has now been entered in Illinois, and is represented on a general agency basis through Kurt Hitke & Co. of Chicago. Mr. Hitke obtained control of Public National just a few months ago, and he has strengthened its financial position. At Sept. 30 the surplus to policyholders was \$400,000, consisting of \$250,000 capital, and \$150,000 net surplus. Application has been made for admission to Georgia, and the company has been in South Carolina and Virginia right along, as well as in its home state. Mr. Hitke now has a home on Treasure Island at 79th Street off Miami Beach, and expects to give a lot of personal attention to the affairs of Public National.

C.P.C.U.'s Hear Auto Talks

Connecticut chapter of C.P.C.U. at the Oct. 21 meeting heard talks by H. W. Donovan, Hartford manager of American Automobile, on "Is There a Bright Horizon in the Automobile Casualty Picture?" and Paul U. Sunderland, Jr., Hartford Accident, on "Looking Back into the Future."

John B. Abrahams, Max Blumenthal, agency, Hartford, reported on the St. Louis convention of C.P.C.U.

Plan Ohio F. R. Setup

COLUMBUS, O.—A conference will be held Oct. 30 in the office of the state registrar of motor vehicles setting up machinery for handling the new financial responsibility act, which goes into effect March 1. Insurance officials have been invited to take part in the conference.

Women Lampoon Bosses

More than 200 persons attended the bosses' night party of Little Rock Assn. of Insurance Women at which the bosses were playfully lampooned and panned in gridiron show style. Special targets for gags were Frank Whitebeck, vice-president of Union Life; W. M. Apple, head of Apple & Co., general agents; Walter Plangman, director of Arkansas Inspection Bureau, and Commissioner Graves.

51
Other
Weeks



Sure—Fire Prevention Week is a grand idea! But what about the other 51 weeks? Fire prevention, like any other safety measure, has to operate on a year-around basis to be effective.

Why not stress it regularly in the community safety program sponsored by your agency? Highlight a specific fire problem each month: hazards at home, in industry, in public places; seasonal hazards; special hazards. The Zurich-American Safety Zone film, "The Firebug," can give you many helpful ideas and also stimulate the year-around program.

The better the program, the better your loss experience—and the greater your gain in prestige and good will for a community job well done.



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REINSURANCE

CONSULTANTS AND INTERMEDIARIES

"WE ARE WHAT WE DO"

Randall Cautions Safety Congress on Freedom Loss

A "Save America" campaign was advocated by Jesse W. Randall, president of Travelers, in an address before the National Safety Congress at Chicago Monday.

In his speech, "Safety from What?" he outlined the perils which face America today, warning that this country is in danger of losing its freedoms by over-emphasizing total security.

Mr. Randall said there are two types of safety: "Safety From" and "Safety For." He said "Safety From" is the desire to be secure from all danger with a resultant loss of initiative, vitality and progress. He defined "Safety For" as the intelligent recognition of danger by men who are not afraid to act, dare and achieve.

"In the last few decades we have seen our bold American belief in 'Safety For' watered down and diluted beyond recognition by the adherents of 'Safety From' or, in terms more customarily used, we have seen our individual freedoms slowly stripped away by the advocates of socialism and the welfare state," he said.

Cites Power of Truth

Mr. Randall suggested that his listeners translate their specific safety experience into the realm of citizenship. He said that the American people cannot be fooled for long; that they will find out the truth sooner or later. "And when you give a free people the truth," he stated, "no power on earth can stop them."

He advised that the first step in a national "Save America" campaign should be to acquaint the people with the truth of the dangers that face them, recommending they be told that security has no value without freedom and that freedom depends on their own desire to be free. He said that the American people must be re-sold on the idea of personal responsibility; that they must learn that responsibility is no easy thing; that it must be exercised constantly or else it will be lost.

"Above all," he said, "the American people must be told the truth about security. They must learn that, like safety, security is primarily up to the individual himself to win and to keep. They must be warned that security is worthless if they lose their right to choose because the right to choose is the blessing of free men and only free men can be secure."

Free enterprise, he said, is a safety device for our other freedoms. It has kept the economic power in the hands of the people and limited the power of the state to its own sphere of influence. "Through free enterprise the vast industrial might of America has remained the servant of the people. Without it, the all-powerful state will become their master."

Women Honor Associates

The associates' night dinner of Insurance Women's Club of Detroit, honoring other insurance organizations there, was attended by about 359 members and associates. The dinner was followed by an evening of entertainment with Harvey Campbell, executive vice-president of Detroit Board of Commerce, as master of ceremonies. Sophie A. Travis gave the toast to the associates, with response by H. A. Stevens National Surety.

Honor guests included Commissioner Navarre of Michigan, Frank E. Runey, president of Casualty & Surety Executives Assn. of Michigan; Irving W. Blumberg, president Detroit Assn. of Insurance Agents; A. R. Roeben, skipper of Detroit Mariners; Russell P. Heindel, most loyal gander of Michigan Blue Goose; S. S. Pond, president Surety Assn. of Michigan; Mrs. Helen C. Albaugh, president Insurance Women of Cleveland; Miss Jean G. Lakin,

president Insurance Women of southeast Wayne County, and Miss Florence Brown, Toledo women's president.

Austin Reese Reelected

Austin Reese, state agent for Royal-Liverpool, was reelected president of Louisiana Rating & Fire Prevention Bureau at the annual meeting. Jules Simoneaux of Henry A. Steckler Co. was reelected vice-president. A successor has not yet been named for William S. Bizzell, who leaves as manager of the bureau Jan. 1 to become manager of North Carolina Fire Insurance Rating Bureau.

Ill. Assigned Risk Plan Revamped

E. J. Thau has been appointed manager of the Illinois Automobile Assigned Risk Plan, and, on Nov. 1, headquarters are going to be moved to 75 East Washington boulevard, Chicago. Mr. Thau takes the place of Vance L. Smith, who has resigned. Mr. Thau recently has been engaged in the brokerage business at Chicago. Previously he was chief underwriter for Motor Vehicle Casualty. S. Alexander Bell, the insurance ac-

countant and manager of Midwestern Independent Statistical Service, is in over all charge of the plan under an arrangement with the governing committee.

35-Year Service Observed

C. M. Anderson of the Anderson-Mettlen agency, McPherson, Kan., was honored by the Travelers group in recognition of his 35th anniversary with the company. Open house was held at the agency, attended by nearly 500 friends. The Andersons gave a dinner for about 35 friends including Travelers representatives.



The Cost of Your Automobile Insurance

AUTOMOBILE liability insurance rates do not have to increase if you . . . and the rest of the nation's motorists . . . do not want them to.

No amount of inflation can affect the accident that does not happen. Increased costs of repairs and repair bills cannot be charged against the car that isn't damaged.

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It all boils down to . . . sane driving and fewer accidents!



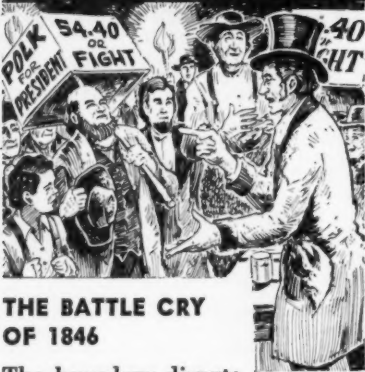
Your local agent is constantly ready to serve you. Consult him as you would your doctor or lawyer. For U. S. F. & G. claim service in emergency, call Western Union by number and ask for Operator 25.

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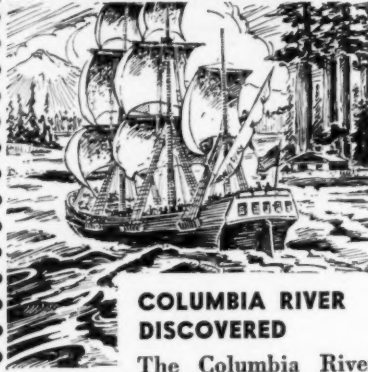
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HIGH SPOTS IN HISTORY 48: WASHINGTON



THE BATTLE CRY OF 1846

The boundary dispute between the United States and Great Britain was settled in 1846. The northern boundary of Washington was fixed.



COLUMBIA RIVER DISCOVERED

The Columbia River was not explored until 1792. During that year Captain Robert Gray, an American, discovered it. It was named after his ship, the *Columbia*.

ALSO A HIGH SPOT . . .

. . . in any agent's career is when he joins Hawkeye-Security and Industrial.

These agents know that these two great companies not only provide full casualty and fire coverage, but they also give every help in building business . . . prompt claim service . . . maximum number of sales helps . . . and a skilled field representative staff to work with them.

HAWKEYE-SECURITY INSURANCE CO.
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two strong companies

...strong in their belief in the American Agency System

...strong in prompt settlement of claims

...strong in field service to agents

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THE BUCKEYE UNION FIRE INS. CO.

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ACCIDENT AND HEALTH

Progress Reported at Health Council Meeting

Developments in improving relations with doctors and hospitals were reviewed at a meeting of Health Insurance Council at New York last week. Marked progress in these fields has been made, it was reported.

Charles Siegfried, Metropolitan Life, hospital insurance committee chairman, said that more than 30 hospital admission plans had been developed throughout the country. J. W. Scherr, Jr., Inter-Ocean, head of the information and publications committee, said that plans are under way to develop a handbook for A. & H. insurance, and it may be ready for publication next year. Other reports were given by Wendell Millman, New York Life, on state prepaid plans; Robert Neal, North American Accident, on medical liaison, and John Miller, Monarch Life, A. & H. insurance coverage survey.

Licensed in Canal Zone

Mutual Benefit H. & A. and United Benefit Life have been licensed in the Canal Zone and have appointed Col. Andrew M. Wright as general manager for both companies, with headquarters at Ancon.

Reports International Plans

The executive committee of Texas Assn. of A. & H. Underwriters Oct. 18, at Austin elected Frank N. Gordon, Houston, a director to fill the vacancy created by the resignation of C. E. Collins, Mutual Benefit H. & A., Wichita Falls.

O. D. Harlan, San Antonio, regional director for the International association, reported on the meeting of the International directors and officers at Chicago earlier in the month.

Mr. Harlan stated that the membership of the International association is now 4,302 of which the Texas association has 475.

He also spoke of the plans for a survey as to commissions to be made under the direction of Robert Costigan, Business Men's Assurance, Kansas City, and the plan to raise dues to the International from \$3 to \$5 per member.

Franchise "Coming Field"

Franchise A. & H. plans are more flexible than true group, they can be serviced more easily than can individual plans and are productive of good leads for individual sales. They can be handled on a payroll deduction plan or on an individual collection basis, and are profitable with enough volume, Pat Green, head of the franchise department Sterling at Indianapolis, told Indiana A. & H. Assn. at Indianapolis.

Mr. Green said that after 18 years in franchise work, he feels that it is more the "coming field" than any other single area of A. & H., but he warned against "selling everything and anything under the guise of 'franchise.'" No plan is legally "franchise," he warned, unless there is at least a memorandum agreement between the company and employer or employee group.

Waller Joins Amer. Health

C. Ervin Waller has been appointed southeastern supervisor of American Health of Baltimore. He will be in charge of activities in Florida, Georgia, Alabama and South Carolina with headquarters at Jacksonville.

Mr. Waller, for some years was president of Professional Ins. Co. of Jacksonville until 1931 when he sold his interest to the Charles Sammons organization of Dallas.

Urges Professional Approach

J. N. Sokohl, Philadelphia general agent of Washington National, urged a

professional approach in the sale of A. & H. insurance at the October meeting of A. & H. Assn. of Philadelphia. With most producers, A. & H. is a sideline business, but Mr. Sokohl said that agents should set a high standard in marketing it.

Program Set for Nov. Sales Congress at Los Angeles

Los Angeles A. & H. Managers Club and A. & H. Underwriters Club of Los Angeles have announced the program for the sales congress they jointly are presenting Nov. 19.

Speakers scheduled for the event include: William Coursey, managing director of International Assn. of A. & H. Underwriters; Raymond R. Ross, director of agencies of Equitable Life & Casualty of Salt Lake City, on "Our Challenge;" John Langstein, Washington National, San Francisco, "Enthusiasm in Selling," and C. C. Mullen, C. C. Mullen & Associates, Los Angeles, on "Have You Sales Personality?"

This will be the first sales congress to be conducted by the local associations since 1933.

Tells Health Council Plans

George E. Martel, research analyst of Bureau of A. & H. Underwriters, at the fall meeting of A. & H. Club of New York, explained the functions and activities of Health Insurance Council.

He said that among the projects under consideration by the council are the preparation of a fact book on A. & H. insurance; better distribution of the annual survey of A. & H. coverage; an exhibit of health insurance coverages to be made available at meetings of medical groups, and dissemination of statistics on payments by insurance companies for physicians' services under group and individual policies, blanket accident expense, personal accident, polio, automobile liability and workmen's compensation.

Open Chicago Season

A talk about construction of a mechanical heart featured the first meeting in the 1952-1953 season of Chicago A. & H. Assn. Speaker was Oliver Maesch, a mechanical engineer whose firm has built a number of precision pumps. Earl Montgomery of Moore, Case, Lyman & Hubbard, the new association president, presided. The speaker was introduced by Robert Keeley, Monarch Life.

(CONTINUED FROM PAGE 21)

Insurers to Study Idea of Covering Auto Driver

proposal, but not if the state does the rate making. Mr. Knowlton said rates would be made as they are now, outside of Massachusetts.

Mr. Goodale said he thought the plan would result in many persons not insuring who now do a small amount of driving and who are covered under present insurance.

The plan contemplates a single private passenger class, regardless of mileage, modified only by the individual's driving record, Mr. Gates noted. Mr. Sheldon said that is what he had in mind. There might be classification after the switch-over to the new system but it should be simple. The plan proposes to use convictions for the driving record, but several noted it is hard to get convictions, that accidents might better be used as in the New York demerit plan. Mr. Sheldon said there is no way to be sure to get all accidents reported.

All agreed the proposal needs a lot more exploration. Mr. Gates suggested National Assn. of Independent Insurers might want to be represented in the industry study.

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CHANGES

Named by Southern General

James B. Fallaize has been appointed casualty department manager of Southern General of Atlanta. He has been for six years with Maryland Casualty.

Saunders to Atlanta Agency

Edward M. Saunders, formerly assistant manager of American-Associated at Philadelphia, has joined Dilbeck-Dominey agency of Atlanta, as superintendent of the casualty department. He was for 11 years with American Automobile. He is a C.P.C.U.

Maslak's Duties Expanded

Stanley P. Maslak, chief accountant of Hartford Accident at Cincinnati, has assumed the added duties of office manager.

Scott Kansas State Agent

Paul Scott, former northern Illinois special agent of U. S. F. & G. at Dixon, Ill., is being transferred to Kansas as state agent. He succeeds George Hobbs, transferred to Richmond, Va., as state agent after four years in the Kansas field. Mr. Scott started with Illinois Inspection Bureau. Offices will be continued at Kansas City.

McNelly to Boston Agency

Leonard R. McNelly, formerly assistant manager of the bonding department of Peerless Casualty at Boston, has joined the Fairfield & Ellis general agency there. Mr. McNelly, an air corps veteran, began in 1932 with O'Brien, Russell & Co. of Boston as a bond underwriter. He went with Ocean Accident as bond superintendent at Boston in 1940, and two years later joined Peerless Casualty.

Luncheon for W. A. White

Insurance Post 404 of the American Legion at San Francisco is giving a luncheon Oct. 27 in honor of one of its past commanders, William A. White, insurance attorney who was recently elected commander of the California department of the legion. Col. Lynn C. Fox, political editor of the San Francisco Call-Bulletin, will speak. San Francisco Blue Goose will join in the affair.

Set N.E. Mutual Agents Card

Arrangements have been readied for the annual convention of Mutual Insurance Agents Assn. of New England, to be held at Boston, Nov. 12-13.

Speakers include Frank J. Lovejoy, vice-president of Socony Vacuum Oil Co.; Sherman K. Ives, Thomaston, Conn., chairman of that state's 200th anniversary committee; Philip L. Baldwin, executive secretary of the National association; Edward H. Everest, president of the Connecticut association, and Saul G. Chason, president of the Maine association.

A reception preceding the banquet will be sponsored by Mutual Fire Insurance Assn. of New England.

Football Theme at Detroit

The program plans for the annual meeting of Michigan Mutual Agents Assn. at Detroit Nov. 6-7 will follow a football theme, with Fred J. Stringham, Lansing, program chairman, serving as "coach announcer." President F. H. Lindroth, Battle Creek, will provide the "whistle kick-off" for the opening session. Waldo O. Hildebrand, secretary-manager of Michigan Assn. of Insurance Agents, will extend greetings of his organization at the luncheon Nov. 6.

Speakers in addition to those already announced are C. C. Carpenter, C. & C. Underwriters, Detroit, and Edward Pilon, Employers Mutual Casualty, who will conduct a panel discussion on

"Should the Subrogation Agreement Be Scrapped?" Ray Hayes, Detroit, will discuss "Advertising Ideas I Like" at the closing afternoon session.

200 Attend W. C. Claims Conference at New York

About 200 home office executives of casualty companies participated in a conference on workmen's compensation claims administration under the New York law, held at New York last week. Miss Mary Donlon, chairman of the New York workmen's compensation board, welcomed the insurance men.

The conference was sponsored by the workmen's compensation insurance liaison committee, representing both stock and mutual companies, as well as the state insurance fund, in cooperation with the workmen's compensation board. Stressed in the conference was the need for clearer understanding of the obligations and responsibilities that are a part of the private enterprise system of providing social insurance.

Among the insurance people participating were Arthur E. Altenderfer, Liberty Mutual; Henry D. Sayer, general manager Compensation Insurance Rating Board; Samuel Kaltman, Aetna Casualty and Warren Tucker, Utica Mutual.

National of Hartford Has Changes in Coast Setup

Administrative changes are announced in the Pacific coast department of National of Hartford group. Assistant Manager E. W. Paterson takes over jurisdiction of fire and allied lines in Washington, Oregon, Montana, and Utah, as well as retaining jurisdiction over Colorado, Wyoming, and New Mexico. He is relinquishing supervision of northern California business. This is being placed under the supervision of Assistant Manager C. H. Warren, who is being transferred to San Francisco from Los Angeles. He is given the title of assistant manager, and will supervise operations throughout California, Nevada, and Arizona. He has been with National since 1939, and was at one time stationed in Oklahoma.

L. V. Mackenzie is promoted to assistant manager. He has been an agency superintendent. He is in charge of fire underwriting and San Francisco brokerage production.

M. W. McClellan is promoted to assistant resident manager in the casualty division. He continues as supervisor of casualty claims, but he will take on other administrative work.

At Los Angeles State Agent S. J. Cun-

ningham becomes regional assistant manager in charge of southern California, and Arizona.

New Cincinnati Agency

CINCINNATI—F. J. O'Leary, who has been vice-president of Thos. McEvelley, Jr. & Associates here, is organizing his own agency, under the name of O'Leary Insurance. He will continue to make his headquarters in the same office as the McEvelley agency in the First National Bank Building. Robert Slete and E. D. Memel will be associated with Mr. O'Leary in the new agency, which represents Home, World, Buckeye Union Casualty and Manufacturers Casualty.

R. C. Betz is president of the McEvelley agency, which will continue its present representation.

Olosson, Taylor Featured

Richard N. Olosson and Arthur J. Taylor, both of whom are independent adjusters at Minneapolis, spoke Wednesday at an educational clinic of Minnesota 1752 Club at Crookston. They will give a repeat performance at St. Cloud Oct. 29. They are speaking on "Good Claim Service Sells."

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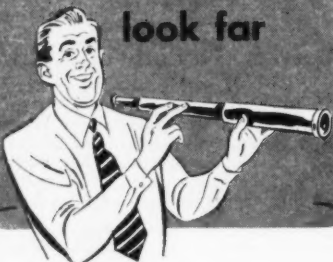
21 West 10th Street
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Dallas 1, Texas

Seek Minn. Rate Hike

ST. PAUL — Minnesota compensation insurance board has taken under consideration a rating bureau proposal to increase rates 10½%. James F. Reynolds, general manager of the rating bureau, said compensation writers in Minnesota have taken a loss of \$1½ million in the past 18 months. Present rates in Minnesota, he said, are 32% below those of 1939 despite a sharp climb in the cost of both medical care and in benefits allowed.

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ANSWERS ILL. COMPLAINT

Following Local Lead, American Farmers Contends

American Farmers of Phoenix, against which Director Day of Illinois has requested a permanent injunction to restrain it from doing business in the state, has through its general counsel asked that it be given the opportunity to cease any alleged violations of Illinois law without having to go through a lawsuit. Edward Jacobson of Snell & Wilmer, Phoenix, representing American Farmers, said the company has secured its business in Illinois "in a fashion similar to the method used by Sterling Ins. Co. (Chicago) of your state, namely, by advertising. It has also secured members across the country from its own membership, and those who become active in this regard are termed 'recommending members.' It is the rule of the company that every policyholder who chooses may become an active 'recommending member' and because the policyholders quite directly own the company and its funds, a good proportion of them do so become."

Farmers' Program Not New

American Farmers patterns its program of using "recommending members" after that used for 40 years by two Illinois companies, Illinois Commercial Men's Assn. and Illinois Traveling Men's Health Assn., both of Chicago, Mr. Jacobson states.

"Both of these Illinois companies use such a program in the state of Arizona," he added, "for as recently as three years ago a large and well publicized luncheon was held in Phoenix for the over 200 local members or policyholders of these companies who live in this area, the purpose of which luncheon was to encourage Phoenix policyholders to secure other members or policyholders in this area. Neither of these Illinois companies is qualified to do business in the state of Arizona."

Because of this background and because the Arizona commissioner and attorney general first warn non-wilful violators of the Arizona code before any lawsuit is brought, Mr. Jacobson said, "you can appreciate the company's surprise and alarm in finding itself defendant in a lawsuit in Macomb."

No Intentional Violation

Director Day two weeks ago asked an injunction against American Farmers in a suit filed in McDonough county. It was complained that the company gives its insured, who are solicited to become "recommending members," certificates of authority which confuses them into believing they are acting within the law. The department claims these "recommending members" are actually agents.

It is not the program of American Farmers to violate any valid laws, Mr. Jacobson states. He requests that if the program in Illinois is in violation, that the company be given the opportunity to cease such violation promptly and permanently "without the expense and extremely damaging publicity attendant on a lawsuit of this character." He asks for a copy of the complaint, saying that if American Farmers finds the allegations correct, "no lawsuit will be required to make this company cease and desist . . . instead, the company will simply continue to refuse to accept any and all memberships recommended from the state of Illinois except by mail and with your approval as is now being done in compliance with the temporary injunction which has been issued."

Roger W. Hayes, state's attorney of McDonough county, has replied to Mr. Jacobson by letter, informing him how he can obtain a copy of the complaint and adding that upon reading it Mr. Jacobson "will be able to understand our views in this lawsuit."

"We believe it is highly impractical, if not impossible, to discuss and argue

lawsuits by mail," he adds, saying: "We will state this, however, that we do not file lawsuits in which we do not believe we are right."

DEATHS

(CONTINUED FROM PAGE 15)

tax provisions. He was also a founder of California Compensation Ins. Co.

JOSEPH E. GREER, veteran local agent of Itta Bena, Miss., died at his home there.

C. P. SHELLEN, 54, local agent at Oklahoma City, died there.

J. J. PITTMAN, 45, local agent at Goldsboro, N. C., for 18 years, died there after several weeks illness.

GARDNER T. BROOKS, Williamsburg, Va., local agent, died in a Richmond hospital. He was secretary of the Williamsburg Democratic committee and of the William & Mary College Alumni Assn.

RICHARD A. SAVEDGE, 62, local agent at Wakefield, Va., died there.

JOHN B. CLEMENS, local agent of Telford, Pa., and secretary of Business Men's Mutual of Lansdale, Pa., died at a nursing home at Unionville, Pa., at the age of 84.

HAL SMITH, 69, retired banker and local agent, died at Clarion, Pa., following a long illness. He formerly operated the Smith & Son agency there.

DANIEL BEVIS, 46, Columbus, O., an attorney, died there. He acted as an adjuster for a number of fire and casualty companies.

To Educate Agents, Public

A campaign to enlighten agents and the public on the present Minnesota fire policy was launched at a meeting of Southern Minnesota Agents Regional Assn. at Faribault. Edward Holloran, Hartford Fire, gave a talk in conjunction with the W.U.A. film, "Introducing the Policymen." An effort will be made in the coming legislative session to revise the Minnesota fire policy and bring it more in line with those of other states.

Mich. Agents' Group Plans Accident Prevention Drive

LANSING, MICH. — Various aspects of the traffic accident situation and its effect on automobile business were discussed at a meeting here of the automobile study committee of Michigan Assn. of Insurance Agents.

Several possible remedial steps were suggested at the conference attended by the 10-member committee, headed by Willard B. Carpp, Benton Harbor, and by association officers. J. Grant Moore, Port Huron, new association president, suggested sponsorship of a broad-scale vigorous accident prevention program covering a three to five-year period and headed by a competent full-time director. The association would seek to enlist assistance of other trade association groups in such a program. President Moore indicated he would call an executive committee meeting early in December with the proposed accident prevention program occupying a top spot on the agenda.

Rate Change Study Continued

Howard Huttenlocher, Pontiac, association past president and chairman of the midwest territorial conference, suggested appointment of automobile insurance conference representatives to the association to meet frequently with company or bureau representatives.

The attitude of some companies is declining to increase their volume of automobile business was discussed in connection with the group's analytical study of loss ratios by counties, to determine reasons for recent rate changes and changes in territories. It was decided to continue this study and to meet again in 60 days for further discussion.

Commissioner Navarre praised the association for its serious study of the worsening accident situation.

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Many Rule Book Changes in Indiana

(CONTINUED FROM PAGE 1)

"Application for Rate for Agreed Amount Indorsement."

The percentage of contribution now required for blanket insurance under the gross earnings form has been reduced from 80% to 70%. The former percentage was considered too severe, and the 70% requirement puts the gross earnings form in line with the two item contribution form.

Doesn't Cover Antennas

A new item has been inserted entitled "Radio & Television Transmitting Stations," that definitely excludes business interruption loss arising from damage to radio or television antennas, except where an appropriate charge has been included in the published rate.

Another change extends from 60 days to 90 days the period in which filing of subsequent statements of value may be made under the agreed amount endorsement.

In other changes, extended coverage rates for errors and omissions insurance have been reduced to conform with those in other rating jurisdictions.

The extended coverage endorsement in Indiana now provides that the company will assume liability against spoilage of perishable stocks as a result of change in temperature or humidity, when such loss results from riot or vandalism. A specific rate is provided for this of .02 cents for riot, riot attending a strike and civil commotion, and .02 cents for vandalism and malicious mischief.

The inherent explosion clause applicable to general business has been broadened by introducing language corresponding to the extent applicable to phraseology appearing in the explosion conditions of the extended coverage endorsement.

Changes already introduced in other midwestern states have now been approved in Indiana, among them the debris removal endorsement which is now effective in about eight midwestern states, the elimination of the pro rata distribution clause when the 90% (or higher) coinsurance clause is used, this applying also to oil distributing stations and specific and blanket forms.

Urges Top Executives to Oppose Spreading Controls

(CONTINUED FROM PAGE 4)

ance. The committee devised a form of treaty and sent it to 72 companies, of which only 14 indicated any interest and only 12 furnished statistical information. The 14 companies that indicated interest are small and operate in a fairly small territory. The committee believes there is not enough spread geographically and in premiums to warrant further effort to establish a pool. However, his committee still recommends companies work toward that and perhaps with modifications because of limited interest. Since this activity is outside of and independent of National Assn. of Mutual Insurance Companies, he asked that the committee be dismissed.

Earl Myer of Indiana Farmers, Indianapolis, gave the asphalt roofing committee report. He described the efforts made to improve the safety of asphalt shingles already on roofs. His own company has acquired 10 stapling machines which it furnishes to policyholders expressing an interest. There has also been work on a better product and better application of such roofing. Uniform thickness makes for more satisfactory use from the insurance standpoint and any additional weight of felt is helpful, he said. Asphalt Roofing Institute is doing good work, he said.

C. S. McElwain of Cameron, Mo., stressed the importance of inspection by agents. Many applications, he said, have

to be sent back these days for underinsurance. The companies simply will not take a \$400 line on a big barn. He recalled that his company had 22,700 claims as a result of the May, 1950, wind and faced an enormous adjustment problem. It called on 570 agents to help, and they did a pretty good job. The cost was about a quarter of regular adjusters. The experience taught agents a lot about underwriting, he said. He believes companies can use agents to adjust losses following catastrophes of this kind.

Among others on the windstorm program were Earl Cooper of Indiana Farmers, and H. F. Gross, Farmers Mutual Fire, Des Moines. The latter gave the windstorm loss prevention report in absence of Prof. Henry Giese of Iowa state college.

Percy Bugbee, manager National Fire Protection Assn., told N.A.M.I.C. that N.F.P.A. for years has worked for farm fire safety. The job there has not been as successful as in urban and industrial areas, but N.F.P.A. plans to set up a farm fire protection engineering service. This move has been approved by the directors of N.F.P.A.

The idea is to retain a competent, full time engineer to work in the farm fire field. N.F.P.A. believes it can make important strides in farm fire safety in this way, but it does need financial assistance from organizations interested in farm fire safety, Mr. Bugbee said.

More than 900 agents registered for the convention before it was over.

A number of awards were presented at the Ad-Sales Conference of American Mutual Alliance in Philadelphia. These included for casualty companies, Liberty Mutual, American Mutual Liability, Hardware Mutual Casualty, Texas Employers, Utica Mutual, Employers Mutual Liability, Celina Mutual, Michigan Mutual Liability, Lumbermen's Mutual Casualty, Auto-Owners, Farm Bureau Mutual Automobile, Motorists Mutual, Harleysville Mutual, and MFA Mutual.

For fire companies award winners included Central, Liberty, Hardware Dealers, Improved Risk Mutuals, Hardware Mutuals, Grain Dealers Mutual, Federated Mutual Implement & Hardware, Indiana Lumbermen's, Northwestern Mutual Fire, Badger Mutual, Mill Owners Mutual, Iowa Hardware Mutual, National Mutual and Lumbermen's of Ohio.

There was a meeting of the state associations group, an aggregation of state company organizations, and at its luncheon C. E. Nail of Lumbermen's of Ohio presided. Charles Erwin of Michigan state university spoke.

Swanson Joins Meade Co.

Robert W. Swanson has joined the Meade Co. at Topeka as sales manager. He has traveled in Indiana for Royal-Liverpool for five years. Earlier he was with Iowa Inspection Bureau and with America Fore, traveling North Dakota and later in Indiana.

Emporia Agents Elect

R. I. Anderson has been elected president of Emporia (Kan.) Insurors, succeeding Calvin H. Lambert. Kenneth Scott was named vice-president and Cecil Safford was reelected secretary. J. A. McClure, retired, formerly of Wilcox & McClure, who has been confined to the hospital for some years, was again named honorary vice-president.

Sees More Compulsory Bills

H. H. Hendren, chairman of the legislative committee of California Assn. of Insurance Agents, expects that the 1953 session of the California legislature will produce compulsory automobile insurance proposals in number.

The legislative committee has come out in support of Commissioner Maloney's proposals to obtain legislation that will prevent discrimination in the payment of dividends in workmen's compensation insurance and to eliminate the certificate of convenience provision in the agents' license law.



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Aside from his earnest desire to secure the best qualified men for public office, the Ohio Casualty agent has an interest in a special form of campaign promise. It's the candidate's promise to secure through him, if elected, the Public Official Bond he will need before taking office.

No type of prospect is easier to see at this season.
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The field for sales is even bigger than many agents realize. Elected officials are usually responsible for the acts of their subordinates and should have the security of Individual, Schedule or Public Employees Blanket Bonds.

Inquiries from responsible agents in unassigned territories are cordially invited.

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Farm Mutuals Urged to Raise Sights

(CONTINUED FROM PAGE 4)

tors, field balers, other power machinery in fields during harvest has created new hazards to standing or unstacked hay or grain. This hazard exists on most farms.

"Are your limits on livestock outmoded? Are cattle still limited to \$100 or \$150 per head when most good cows sell for more than \$300? If you pay so much per head lost, are you getting enough insurance on the herd to make your livestock insurance pay its own way? If you prorate over the number of head owned at the time of loss, is there enough insurance so that the farmer will be satisfied if he has a loss? A recent article cited one case where only the last 18 inches of each cow's tail was covered.

"Do you insure electrical appliances and equipment against lightning? They represent a big investment on most farms, so this seems to be a legitimate coverage. If you are afraid of nuisance claims, the insurance could be made available on a deductible basis.

"Does your company offer short-term policies to meet the needs of some farmers? How do you handle grain and hay-drying? Perhaps it would be more equitable among farmers to collect an extra premium for this, by use of a special permit or endorsement, rather than by including something in the assessments on all members to pay for losses resulting from the drying operations of only a few farmers.

"Does your policy cover tractors, corn

pickers, hay balers, and combines under implements and machinery when some of this high-valued equipment should be covered for specified amounts? If the equipment category lumps together many items representing a large investment, perhaps there should be a separate listing to help prevent underinsurance. A recent study in Indiana indicated that the value of machinery, livestock and stored crops amounted to almost as much as the value of buildings. Is it clear to the farmer and to the company in which category the orchard sprayer, the potato digger, and the electrical or acetylene welding outfit falls? In the absence of a pro-rata distribution of the insurance over the items in case of loss, underinsurance causes loss costs and assessment rates to be higher than they would need to be if there were more insurance over which losses might be spread.

"More automobiles and trucks on better highways, and the passage of automobile financial responsibility laws, mean that automobile liability policies are almost a necessity in every state. Many of our smaller farm mutuals will not care to offer such insurance, although they apparently could do so under the multiple-line laws in some states—if deposit requirements were met. But such insurance could be made available through the company secretary. On the other hand, collision and comprehensive insurance covering damage to or theft of the farmer's own automobile or truck would come more nearly within the field of operations of some of our larger farm mutuals.

"Increased reliance on tractors, corn pickers, and other machinery on farms means that accident rates are increasing and that there is increased need for workmen's compensation or employer's liability insurance on farm workers, and accident and hospitalization insurance for farm operators and family workers. The farmer stands to lose more in a lawsuit. A century ago, more than 80% of our population lived on farms. Farmers now are a minority group, so one person on the farm feeds six in town. With broader markets for farm products, there is more need for floater policies covering transportation of livestock to market and theft of personal property. With distances seemingly reduced and with greater investments required, the needs of farmers are more like those of the business man in town.

"Even though a farm mutual may not wish to enter the fields of insurance suggested by some of these coverages, should not the farm mutual secretary be in a position to make the insurance available? Crop-hail and federal all-risk insurance also might be made available through him. His office might properly be the insurance headquarters for farmers. Agency commissions paid to the secretary would increase his income and make his job more worth-while to members.

"Never before has the farmer's investment in dollars been as great as it is today. Prevention of loss is, therefore, more important to him, and a periodic inspection program becomes almost a necessity for the company. No longer are kerosene lamps and lanterns, wooden shingles, and the threshing machine the principal hazards in most states. Smoking, improper wiring, petroleum products, explosion of furnaces, grain drying, and LP gas must be dealt with. The addition of new electrical equipment long ago overloaded most farm wiring systems, making the original REA inspection obsolete. Is there a place here for cooperative wiring inspections paid for in part by our farm mutuals?

"Would it be advisable for our farm mutuals to buy fire extinguishers in bulk and loan or sell them at cost to members? Is there an opportunity to invest in a set of concrete forms for use in building square reservoirs for water storage on farms? Farmers could swap labor to reduce the cash costs of construction. Also, it would seem that our farm mutuals might do more to sponsor the purchase of rural fire trucks for use by village departments in making runs outside of town.

"We have given some thought to the position of the small farm mutual in this picture. The introduction of classified rates, reinsurance, and other improved methods and office procedures requires training, vigor, and vision. How can a capable, full-time employee do these things if his job is underpaid? In 1951, operating expenses of farm mutuals averaged about 8.5 cents per \$100 of insurance. This was at the rate of \$850 per \$1 million of insurance, so it would take \$10 million of insurance to produce \$8,500 of income for expenses. A great many farm fire mutuals have less than \$10 million of insurance in force. What, then, is the remedy if we are to keep our small farm mutuals and at the same time render greater service to members?

"Could the benefits of working together, as illustrated by the operations of our farm mutuals, be expanded to include greater cooperation among companies? One possibility would be for several mutuals to cooperate in hiring a man to improve office procedures, work out reinsurance arrangements, and so on. Like neighborhood grocers who form an independent grocers' association to buy their groceries in bulk, the farm mutuals would be cooperating in purchasing services not otherwise available to them.

"Another possibility would be for a man, perhaps on the staff of the National association, to spend some time with individual farm mutuals—helping them put into effect some of the changes that have often been suggested but that seem to difficult to accomplish without assistance? This man might go to the local association at the request of the company, stay as long as desired, and have his salary and expenses while there paid by the company. He would work with the secretary and actually help him to get started. A small farm mutual might be able to bear this expense, whereas it could not pay the salary requirements necessary to put the changes into effect in any other way. After the change-over, perhaps the secretary could carry on without further help."

S. C. Agents Give Support to N.A.I.A. Commissions Unit

(CONTINUED ON PAGE 21)

bile Liability Problems and Safety Responsibility Laws." Among those taking part in an open discussion on automobile were S. L. Gardner of South Carolina highway department; Jake D. Hill, Columbia, association attorney; J. E. DeDavid, Jr. of the South Carolina department, and Mr. Sanford. Mr. North was the moderator. A good deal of the discussion was given over to the new South Carolina safety financial responsibility law which becomes effective Jan. 1, 1953.

That evening was held the cocktail party with South Carolina Inspection Rating Bureau as sponsor. Richard Singleton, bureau manager, acted as host. At the banquet which followed, the new officers were installed and there was a dance and entertainment.

Mr. Sanford, in explaining the background and need for the financial responsibility law, gave the agents some advice as to how they can help the companies during the present automobile underwriting conditions. He said indications are that claims will continue to grow larger for at least 24 months more. Accident frequency records remain bad and in some areas are becoming worse.

The agents, while the safety financial responsibility law is coming into effect, will have the job of maintaining an adequate automobile market for deserving applicants. Discussing what might be a deserving applicant, he said that he is a responsible person physically capable of driving and with enough stability and maturity of judgment to drive safely. The degree of need of the applicant for insurance is not a measure of his right to purchase coverage, he emphasized. The greatest obligation of the agent is to provide insurance for the deserving applicant. There is a need to be objective in making underwriting decisions.

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as well as 21 other offices providing nationwide service.

Coloradoans Get Sales Tips

(CONTINUED FROM PAGE 21)

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automobile business, and deplored that in a short period recently more than 100,000 policy cancellations were sent out of a Rochester office. Companies must take the clients who come to them in good faith, he said, and added that the commissioners should investigate why certain companies turn down so many people who come to them. He suggested also that agents should never turn a client away cold. "Tell him you can get coverage for him in the assigned risk plan, and that if he has a good, clean year it can probably be written direct next time."

An agent's present clients are his best customers, Mr. Duffus said, and added that he keeps his customers' line cards in his own desk. "We sometimes show these to our customers, and find that they are glad to see them and often buy according to their exposures." Mr. Duffus asks the customer to initial a coverage he doesn't want to buy, if he thinks it is vitally important to the customer. Colorado agents are vitally interested in the new homeowners policies which have been sold previously only in Pennsylvania and are offered by about 60 companies subscribing to M.P.I.R.O. The North America team presenting details about the new policies included Tom Walton, Arthur Moyer, William Francis and Dick Light.

Would End Commission War

Colonel Cothran announced that this would be one of his last appearances as an active officer of his company. He is 65 and will retire Dec. 31. He said that "whether or not we recognize or admit it, we are now in a commission war on a national scale—a short-sighted and destructive policy that must be corrected."

Agents and companies must exercise self-control to correct this situation, he declared, and launched into a discussion of commissions. "How high, or low, is too high, or too low, for commissions?" he asked.

"Apparently no one knows; however, many of us believe that when commissions and expenses require about 48 cents of the premium dollar, it is pretty close to backbreaking and will be just that if the loss ratio goes over 50%. If the fire loss ratio stays close to the present figure, continued pressure for rate adjustment is inevitable."

May Price Selves Out of Market

Colonel Cothran expressed the fear that "we can price ourselves out of the market and unwittingly promote state funds or other forms of socializing our industry." To help in the fight, he said, agents must work with companies in cutting every possible cost. "Do you think," he asked, "that because rates are raised x% this year that commissions should likewise be raised by x% without any more selling effort?"

He urged a combined effort of agents and companies dedicated to saving life and limb without any thought of profit, citing in that connection the recent hospital inspection program.

"Forget the commercial feature and do the job as a public service," he said.

Mr. Pither said that at some time or another almost every agent will need a market for foreign insurance, either on servicemen abroad, business men abroad or tourists abroad.

Mostly Need Auto

Principal coverages needed are automobile floaters, for many U. S. citizens abroad take their own or hire automobiles, and property coverage.

"People are extremely insurance conscious when they are abroad," he said, "and it is up to the assured's own agent to give him this service. Don't tell him you can't handle it," he said.

An interesting and painstaking study of all exposures of a risk was undertaken by the C.P.C.U. panel with Mr. Beck as moderator. The case under con-

sideration was that of George W. Jonex, M.D., a doctor in a Colorado city of 10,000. Dr. Jonex has a home, three automobiles, an office building, a pharmacy and a practice. In succession, panel members examined his A. and H., fire, marine and casualty needs, and made recommendations to protect him completely.

Louie Woodbury, the closing speaker, reviewed the essential elements of salesmanship. People don't buy because of price, he said, they buy because they want something. When they want it badly enough, they will pay the price for it, he said.

Convention chairman was Thurston H. Jenkins, who was elected president. L. Allen Beck was in charge of speaker arrangements. Don L. Nabity, the association's new executive secretary, had overall supervision of arrangements.

SURETY

Ample Cover in Iowa Bank Loss

Continental Casualty has the bond of Des Moines Bank & Trust Co., and probably in ample amount to cover the embezzlement of its branch manager at Grimes, Ia. Ura Francis Beauchamp, the manager at Grimes, voluntarily disclosed his peculations to the FBI, saying that he had kept duplicate books and that the total of his embezzlements is about \$73,000. He is reported to have said he had been engaging in such embezzlement since 1935.

Since 1948 the amount of the bond with Continental Casualty has been \$175,000 and hence if the largest part of the loss occurred during the years since then, the bank will be amply covered.

The newspaper accounts give no explanation of why Beauchamp suddenly surrendered and told what he had been up to.

Leslie H. Cook Is Sponsor of Mortgage Bankers Cover

THE NATIONAL UNDERWRITER regrets that in the Oct. 9 edition on page 25 in reporting on the mortgage bankers blanket bond that was displayed at the recent Chicago convention of Mortgage Bankers Assn., the name of the broker who is offering this plan was incorrectly given. The broker is Leslie H. Cook, who is a prominent Lloyds representative of Chicago. He had an exhibit and considerable literature at the time of the convention and spoke on the program about this plan which is a combination of blanket bond coverage and errors and omissions insurance.

Three Sureties on Big Chicago Sewer Bond

Hartford Accident, Fidelity & Casualty and U.S.F. & G. are co-sureties on the \$3,696,000 Chicago sanitary district intercepting sewer construction bond. The contract was awarded jointly to M. J. Boyle & Co., and Paschen Bros. Construction Co., and Hartford Accident and F. & C. are the joint originating companies on the bond. The intercepting sewer will serve 25,000 residents of four Chicago suburbs.

Big Claim on N. D. Fund

BISMARCK, N. D.—Officials of Morton county will meet with Commissioner Jensen to discuss the county's claim on the state bonding fund for some \$200,000 missing from the county treasury. Mr. Jensen said the county has not yet filed a requested report giving detailed data on the loss. Lawrence M.

Tavis, former treasurer and deputy treasurer, is now serving a prison sentence, having admitted he embezzled about \$95,000 of the missing money.

Hartig Seattle President

SEATTLE—To fill the vacancy by William Korach, American Surety, who has been transferred to Spokane, Casualty Insurance Assn. of Washington has elected Carl Hartig, Century Indemnity, as president. Alvin C. Tregoning, Connecticut Indemnity, was named vice-president, and Don Pilkey, London & Lancashire, secretary.

Inland Empire Expands

Capital of Inland Empire Ins. Co. of Salt Lake City has been increased to \$200,000, also there has been an increase in net surplus. Further increases in capital-surplus are planned.

Recently elected as directors are J. Fred Pingree of Salt Lake City, Benton A. Sifford, San Francisco insurance executive, and T. C. Howay, manager of the office at Boise, Idaho.

J. Mark Boone has returned to his job as assistant state fire marshal of North Carolina after being on active duty with the navy for almost two years.



The TOWER BRIDGE over the Thames River in London was completed in 1894 at a cost of £1,500,000. It is a suspension bridge whose 200-foot central span can be raised by hydraulic pressure to permit the passage of vessels. A footway, 142 feet above high water, can be reached by stairs in the Gothic towers which flank the central span.

The insurance industry, like this famous bridge, is geared to meet the changing conditions in a world of commerce and to distribute the stress and strain placed on modern business.

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We write every practical form of Life, Accident, Health, Hospitalization and Medical Expense Insurance.

District Managers and Representatives WANTED

S. ROBERT RAUWOLF, Agency Vice President

A GOOD YEAR TO CONNECT WITH A GOOD COMPANY

INSURANCE NEWS BY SECTIONS

PACIFIC COAST AND MOUNTAIN

Sayre & Toso Acquires the Brandt General Agency

H. E. Sayre and H. J. Toso, of Sayre & Toso of San Francisco, have acquired the W. B. Brandt & Co. general agency. Both agencies have offices in San Francisco, Los Angeles and Seattle, and will be united under one roof in each city as soon as practicable. Although management and ownership will be by Mr. Sayre and Mr. Toso, the two operations will continue under their individual names, and will each offer facilities as at present, Sayre & Toso exclusively handling business with London Lloyds and Brandt & Co. retaining its company representation as well as its own connection at Lloyds, the latter of which is the oldest in point of service in the Pacific Coast.

W. B. Brandt & Co., under the present management of B. U. Brandt, Hugh Christenson and Warren A. Rouse in San Francisco, Lloyd L. Brandt in Los Angeles, and James E. Moore in Seattle, are underwriters for all risks and inland marine business in several western states for Atlas, Old Colony and the Boston (British Columbia only); for marine business, Atlas and Connecticut Fire for 11 western states, Old Colony for California and British Columbia, and for fire business, Atlas Underwriters Agency of Atlas Assurance for California only.

Sayre & Toso evolved from Newhouse & Sayre, formerly managers of the all risks department of Home, Lee Hoagland, vice-president, and B. W. Hewitt, treasurer, in San Francisco, and Frank Brown, secretary in Los Angeles, were with the old firm during many years of marine operation. W. Robert Anger is manager at Seattle.

Acquisition by Messrs. Sayre and Toso of the Brandt interests follows the death of Walter B. Brandt, who founded the company bearing his name in 1905. W. B. Brandt originated many of the popular types of broad form coverages being used in the western area.

Mr. Sayre and Mr. Toso joined the Brandt organization in 1926. Mr. Sayre left in 1929 to form Newhouse & Sayre in New York—and Mr. Toso left in 1931 to establish Pacific Coast headquarters for Newhouse & Sayre in San Francisco.

3-D Talk at Spokane

Jack Paradise, Spokane manager for U.S.F.&G., discussed the 3-D policy at a luncheon meeting of Spokane (Wash.) Insurance Assn. An open forum followed his talk.

Arthur Eppstein Honored

The 80th birthday of Arthur M. Eppstein, founder and president of Oregon Automobile, was observed at a dinner at Portland with 250 agents and business friends in attendance. Joining in the observance, in addition to agents from all parts of the state, were state and city officials, including Governor McKay, and Commissioner Taylor. Harold S. Hays, past president of Oregon Assn. of Insurance Agents, was toastmaster.

Mr. Eppstein was presented a scrapbook containing scores of letters of appreciation and congratulations from agents throughout the state. Many of the agents represented received their start in the business with his counsel and assistance. The Oregon association a year ago created the "Arthur M. Eppstein award," which is presented annually to the insurance man in Oregon who makes the greatest contribution to the business.

He founded Oregon Automobile Indemnity Exchange, predecessor of Oregon Automobile, in 1920. In 1926 the present stock company was organized

and Mr. Eppstein has been president ever since.

Rigid Examination System Reduces Wash. Licenses

The new and more rigid agents, solicitors and brokers license examination system which recently went into effect in Washington has had the effect of sharply reducing the number of new licenses issued, according to the Washington department.

According to Commissioner Sullivan, 50% of those taking the examinations subsequent to Sept. 1 have failed. This is a sharp increase from the almost perfect record achieved by applicants before that date. In addition, the number of applicants has dropped sharply. Only 40 odd examinations were given up until October. Another indication of the tightening of requirements is the fact that the highest grade obtained by any applicant up to mid-September was 84.

The Washington department also is scrutinizing the renewal of agents' licenses. Many companies have appointments outstanding, but it is being found that the master license which each agent must secure every three years by payment of a \$10 fee in many instances is not being renewed. The department shortly will put out a warning to companies to double-check the existence of a master license and also at the same time the department will warn agents who permit their licenses to lapse that they will be subject to the new examination requirement.

MIDDLE WEST

Milwaukee Board Elects Pittelkow as President

MILWAUKEE — Robert C. Pittelkow of Chas. Pittelkow & Son was elected president of Milwaukee Board of Underwriters at the annual dinner meeting. He succeeds Rudolf A. Lamb. Gustav E. Schwarm was named vice-president, and Frederick Kasten of Blatz-Kasten Co. was chosen secretary to succeed William B. Calhoun, who has retired from the agency business here and has moved to Orlando, Fla.

W. C. Carney, Carney-Rutter agency, reviewed the automobile insurance situation, and John R. Fishdick, executive secretary of the board, discussed what must be done to make insurance associations more useful to the membership and a more vital factor in the industry.

Greetings were received from "Bill" Calhoun, who has spent 55 years in the business and served as president and in other executive capacities of the Milwaukee Board, the Wisconsin and National Assns. of Insurance Agents. The agents signed a round-robin letter of thanks for Mr. Calhoun's splendid contribution to the insurance business and especially the Milwaukee Board.

Val Gottschalk, head of the executive committee that incorporated the "Crusade for Highway Safety in Wisconsin," spoke on the plans and progress of the crusade.

C.P.C.U.s Elect at K. C.

The Kansas City C.P.C.U. chapter has elected these officers: President,

Donald C. Brain, W. B. Johnson & Co.; vice-president, Arthur L. Milstead, Jr., Equity Mutual; secretary, Percy S. Lorie, Jr., Lorie agency; treasurer, Ingolf H. E. Otto, University of Kansas City; directors, Robert E. Morgenthaler, Associated Agencies, and Paul P. Tilford, Liberty Mutual.

Broach Idea of Non-Insuring Schools at Springfield, Ill.

The board of education at Springfield, Ill., voted to continue insuring school properties on the estimate of the insurance committee that the premium cost

would be \$33,000. This was done in spite of the suggestion of Robert C. Lanphier, one of the directors, that insurance be discontinued and that the board make provision in its own budgets for covering fire losses. The board is adding 1½ cents to its tax rate each year to cover the insurance bill although Lanphier said it has been many years since there was a major fire in the system. He said that a \$250,000 fire loss could be recouped by adding 2 cents to the tax rate for five years. Lanphier said that it would be necessary to convince the public that the school system is big enough to carry its own insurance before his suggestion would be practicable.

IN THE SOUTHERN STATES

New Quarters of Home at Dallas Formally Unveiled

Home and Home Indemnity this week formally opened their new Dallas offices in the Corrigan Tower, 212 North St. Paul street, where the companies will occupy the entire 16th floor. The opening of the new and enlarged quarters was marked with a reception at the Baker Hotel at which Harold V. Smith, president of Home, and other company officials were hosts. Many prominent local business leaders attended.

Staff of 116 in State

The companies maintain a staff of 116 in the state, 80 being in the Dallas office. Other offices are located in Houston, San Antonio, Lubbock and McAllen. Warren L. Gravely, assistant vice-president and secretary, located at Dallas, is in charge of the entire state.

N. C. Rating Bureau Elects

RALEIGH, N. C. — Charles M. Close, vice-president of Great American, was reelected chairman of the governing board of North Carolina Fire Insurance Rating Bureau at its annual meeting here, and B. F. Weaver, assistant U. S. manager of Royal, was reelected vice-chairman. C. R. MacGill, American, Raleigh, was appointed chairman of the executive committee, and John E. Darling of Aetna Fire, Charlotte, vice-chairman.

New members of the governing board are Aetna Fire, Firemen's, Springfield F. & M. and Central Mutual. New members of the executive committee are J. Carter Cook, Home, Charlotte, and C. C. Carson, North British, Greensboro.

Landon Hill, who has served as general manager since 1925, was reelected until Jan. 1, 1953. W. S. Bizzell, now manager of Louisiana Rating & Fire Prevention Bureau, will succeed him on that date.

To Resume Legislative Posts

Unopposed in the general election Nov. 2, two prominent local agents—Brooks Eslick of Pulaski and C. Ray Ward of Sparta—are slated to return to important posts in the Tennessee legislature at its meeting in January. Mr. Ward, newly elected president of Tennessee Assn. of Insurance Agents, was chairman of the house insurance committee and Mr. Eslick of the senate insurance committee in the last session. They are expected to be reelected to these posts.

Better Rural Protection Sought

SALISBURY, N. C.—A rural fire protection conference here resulted in the formation of an eight-member committee to develop a program for bringing North Carolina's fire and insurance laws up to date with progress in fire protec-

tion for rural sections.

Another statewide conference will be held when the committee has completed its report, according to Commissioner Cheek, who presided. Recommendations developed by the committee and approved at the next conference then will be transmitted to the legislature, which meets Jan. 7.

Agents Have Biloxi Outing

Mississippi Coast Underwriters Assn. last week conducted its annual outing at Biloxi with 142 members and guests attending. J. P. Frazier, Pascagoula, president, was in charge. Among the guests were Neville Allen, Laurel, president, and Clant M. Seay, Jackson, secretary of the state association.

EAST

Pittsburgh Club Annual

J. A. Snelshire is chairman of the election committee for the annual meeting of Insurance Club of Pittsburgh Oct. 27. It will be a business meeting followed by a cocktail hour, under the direction of Paul C. Cost; and then a banquet with George F. Avery as master of ceremonies, and Robert A. Beck as chairman of the committee on arrangements.

Slate Ackerman at Boston

L. J. Ackerman, dean of the business school at the University of Connecticut, will explain how agents can continue their business in the event of sickness or death at the Oct. 28 meeting of Insurance Brokers Assn. of Massachusetts at Boston.

New Middle Dept. Office

Middle Department Assn. of Fire Underwriters is planning to open a district office at Pottstown, Pa. The stamping office and inspection work for Berks, Chester, Lehigh and Northampton counties, including the upper portions of Bucks and Montgomery, will be transferred from Philadelphia to Pottstown. The bureau believes a considerable improvement in the service to agents and companies operating in those areas will result.

Schedule Vermont Regionals

Vermont Assn. of Insurance Agents will hold its first regional meeting of the current series Nov. 5 at Bennington. B. J. Coughlin, Hartford Accident, will talk on garage liability. The second regional will be at White River Junction Nov. 6, with Mr. Coughlin again the speaker.

Lumbermen's Mutual Casualty has presented the Archie D. Jennings agency, Winchester, N. H., an electric clock in recognition of 25 years representation.



R. C. Pittelkow

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"... and the home office folks like to save work, too!"

Our artist may be "just a little" off the beam in visualizing the Ag-Empire timesavers. The way we look at it, business is a lot more pleasant when red tape and detail—from the agent's office to the home office and vice versa—are cut to a trickle. A case in point—the policy itself. After watching the "pinwheel" typewriter maneuvers that gals went through to complete the old-fashioned kind . . . we developed the first carbonized policy and now an improved one-operation policy to save half the handling time. Would you like to see a sample policy?

We're easy to write to



Your Insurance Agent —
The **Man of Many Interests**

A VERSATILE MAN, your Home Insurance agent. He knows insurance, sure—that's his life's work. But you may find that he's also a prime mover in many important community activities. It's his nature to work *with* and *for* people. As a good insurance man, naturally he has a keen sense of responsibility, gets satisfaction from doing things for people. In short—he's your good neighbor.



An Independent Businessman, your property insurance agent has invested his money as well as his efforts in your community. He knows the problems of both businessman and homeowner and you can depend on this—he's loyal to you and your town.



Like a Doctor, your insurance man has a 24 hour a day job.



A Real Safety Salesman, your insurance agent is interested in preventing trouble for you and your neighbors. That's why so many Home agents are leaders in worthy community projects—that pay off in peace.

This Could Be Your Ad

The advertisement above . . . one of a continuing series . . . tells the story of a man—a typical insurance agent. It will be seen by *more than 19 million* readers of national magazines.

The story it tells is important to the Home agent. It represents him in a new and significant light to the people he serves—establishes his important place in his community. It's designed to help you sell by selling *you* to your customers and prospects.

THIS ADVERTISEMENT
WILL APPEAR IN



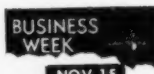
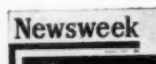
NOV 19



NOV 28



NOV 24



NOV 15

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